Moynihan's legacy: Great writer, lousy senator

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How housing (yes, housing) can turn the economy around

BY PATRICK C. DOHERTY & CHRISTOPHER B. LEINBERGER

Plus: Wesley Clark on how to end oil imports

John Gravois on the emerging marijuana industry

Reviews by Walter Shapiro and Steven Pearlstein

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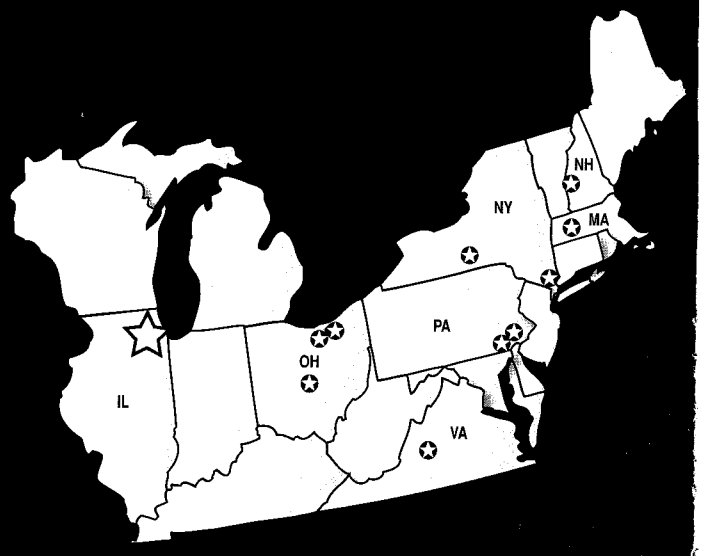

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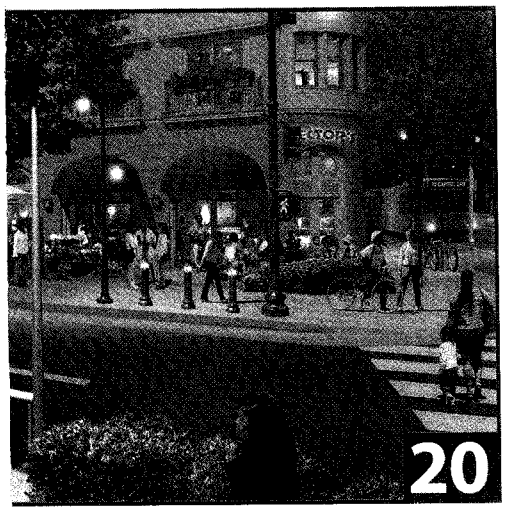

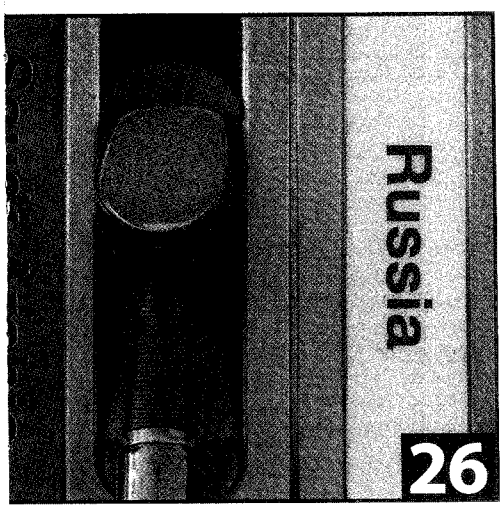

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Editor's Note

PAUL GLASTRIS

Give 'Em What They Want

The collapse of the cap-and-trade bill in the Senate this summer constituted the biggest legislative failure of the Obama administration's first two years in office. While the White House and congressional leaders have racked up some big legislative victories, including health care reform, the stakes with the climate bill were arguably greater. Had the measure passed, not only would it have helped stave off the world's foremost environmental threat, global warming, but, by encouraging industries to invest in clean energy, it could also have generated millions of jobs in an economy starved for them.

The *New Yorker*'s Ryan Lizza recently detailed the many reasons for the bill's demise: opposition from coal-state Democrats, tactical mistakes by the White House, and, most of all, the unwillingness of virtually every GOP senator to support the bill—including those like John McCain who had previously favored cap-and-trade but were under attack by Tea Partiers and Fox News.

But I think Lizza missed a more fundamental reason why the legislation failed: the typical voter just couldn't relate to it. The harms it was meant to prevent (rising sea levels and spreading droughts over the course of the next century) seemed remote, even speculative to many people, and hence easy for opponents to sow doubts about. So, too, the promised benefits: jobs in nascent or yet-to-be-created green industries. And the mechanism by which these ends would be accomplished (giving polluting companies tradable carbon-emitting permits based on an overall limit on carbon output) were hard for the average person to fathom, much less get excited about. It was a bill only wonks could love, and even many of them preferred a simple carbon tax to a complex carbon-trading scheme.

But what if we could make a major dent in our carbon output while reviving the economy in a way that ordinary Americans could not only understand but also personally benefit from? In their cover story in this issue, Patrick Doherty and Christopher Leinberger make such a case. They argue that we can create ecologically and economically sustainable growth by tapping the public's abiding love of real estate.

The real estate market is moribund now, say the authors, because developers overbuilt on the suburban fringe—a result of years of government subsidies for new highways and other infrastructure. But a vast wave of new demand for housing is coming, thanks to an epic demographic convergence. Baby boomers, the biggest demographic bloc in the country, are looking to downsize as their nests empty and retirement looms, while their children, the similarly numerous millennial generation, will soon want to purchase their first homes.

Neither group is much interested in living in low-density, auto-dependent suburbs on the metropolitan fringe. Instead, they're drawn to denser, lively neighborhoods in cities or closer-in suburbs where it's possible to walk to stores, restaurants, and other amenities—think D.C.'s Dupont Circle area, or suburban town centers like Clayton, Missouri, outside St. Louis. Home prices in such places have soared in recent years and stayed relatively high even during the downturn. That's a measure of growing demand, but also limited supply: such neighborhoods tend to grow around subway and light rail stations, and most American metro areas don't have much in the way of mass transit. If Washington would shift federal transportation dollars from highways to mass transit and make a few other changes, it could spark a boom in walkable real estate development, which would mean millions of new construction and other jobs.

And despite mass transit's rap as a big-government lover's dream, this transformation could largely be driven by the private sector. A century ago, almost all American cities boasted extensive streetcar systems—owned and run not by government, but by private partnerships between real estate developers and utility companies. With a little encouragement from Washington, similar deals could be struck today.

This private-sector/real-estate-based strategy would go a long way toward achieving key environmental goals. One study found that if all new construction were built in a walkable, transit-friendly fashion it would yield more than half the amount of carbon emission reductions over the next decade than would have occurred in a cap-and-trade system. And while cap-and-trade legislation almost certainly won't be revived in the next Congress, a clean-energy strategy based on real estate could get a hearing if, as expected, lawmakers next year try to reauthorize the government's main transportation law. Though Republicans may yet resist the plan, average voters could become firm and passionate supporters. Because this time, instead of appealing to a set of abstractions, we'll be offering them something they know they want. WM

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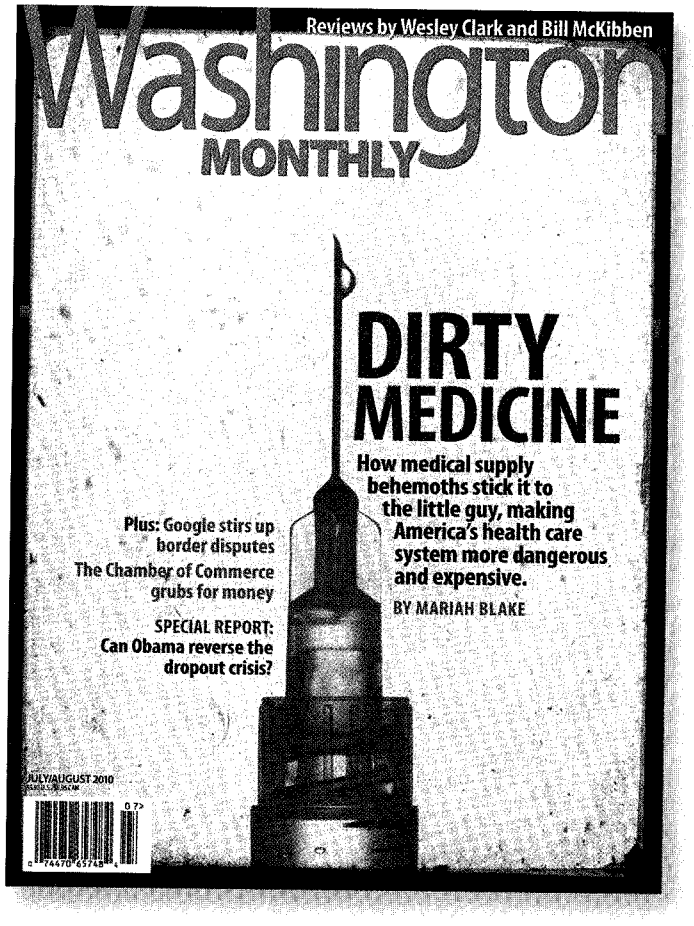

SUPPLY-SIDE PROBLEM

This article ("Dirty Medicine," July/August 2010) ranks up there as a shocker: Thomas Shaw strikes out to invent a safer syringe; he gets nowhere because there is no such thing as a free market in medical supplies. An important social function—tending to the sick—has been turned over to an institutional structure that offers rewards for domineering instead of engineering. If Mr. Shaw and the rest of us put a fraction of the energy, dedication, and focus he put into designing a safer syringe into redesigning the American economic system, I suspect the world would be a better place.

Mark Mason PhD
Via e-mail

To put it mildly, I was disappointed to read the recent *Washington Monthly* article by Mariah Blake that recycles old criticisms to disparage group purchasing organizations (GPOs). The author either failed to do basic factual research or completely ignored key viewpoints in an effort to advance someone's agenda.

Even after Broadlane pointed out a factual mistake during the research phase, the article's author still mischaracterized Broadlane's contract award process. Broadlane's clients—not Broadlane—make all contract decisions. Committees composed of hospital clinicians and hospital executives review proposals from the competing suppliers and decide which products to put under contract. Therefore, there is no mechanism for Broadlane to "push" a higher-priced product.

Broadlane *never* "locks out" bona fide suppliers. Broadlane publishes a bid calendar to all suppliers, as well as a plan of purchase to all its clients, so that all parties are fully informed of upcoming events and opportunities. All suppliers with products meeting the clients' clinical needs are given the same opportunity to be actively evaluated and considered for a contract position. Broadlane's clients have surprised the market many times by choosing emerging or non-incumbent suppliers for awards. Suppliers that can lower costs and offer products with superior attributes to improve the quality of health care win the awards. In fact, Broadlane currently has contracts with Retractable Technologies, the primary supplier mentioned in the article. Our clients are constantly looking for breakthrough technology to enhance their mission.

The best evidence of the value GPOs bring to the health care system is that sophisticated hospital systems in all regions of the country continue to use GPOs and attest to the significant savings they achieve through such a relationship. In the end, not every supplier can win, and not every supplier will walk away happy. Some dissatisfaction is appropriate and to be expected, as no one likes to lose. But complaints from unsuccessful bidders after a tough competitive process simply prove the process is working, and that we truly help make quality health care affordable.

Patrick T. Ryan
Chairman and CEO
The Broadlane Group

Mariah Blake responds:

Mr. Ryan makes sweeping accusations about my reporting on GPOs, but he presents no evidence to back up these allegations. More tellingly, he never actually challenges the damning facts I reported about his company, Broadlane.

The portion of my article that deals with Broadlane focuses on the process it used to pick surgical towel vendors to supply its member hospitals. It was not based on "complaints from

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unsuccessful bidders" but rather on internal Broadlane documents and on-the-record interviews with a former Broadlane employee who was privy to the selection process. According to these sources, Broadlane chose to go with two large, established players, even though their bids were higher than those of their competitors and their products lacked a key safety feature that was available from another vendor at no added cost. Worse, my reporting suggests that Broadlane used misleading statistics to convince hospital administrators to go with the higher-priced bids. Needless to say, this runs directly counter to the stated mission of Broadlane and other GPOs—to save hospitals money by pooling their purchasing power.

Despite ample opportunity, Mr. Ryan and his staff declined to respond to my questions about the surgical towel bidding process. In fact, initially they refused to comment at all. Just before my story went to press, I did receive an e-mail from a Broadlane executive. But he never addressed the specifics laid out in my story, and he never pointed out any "factual mistakes" in my reporting, as Mr. Ryan maintains. He simply gave me a broad overview of the company's contract award process.

Incidentally, I am not the first to ask whether GPOs serve the public interest. Numerous lawsuits, congressional hearings, and criminal investigations have raised the same questions. Congress is now in the midst of yet another probe of GPOs' business practices. Like my story, many of these inquiries have unearthed evidence that the kickback-fueled GPO system drives up the cost of health care and keeps potentially lifesaving medical devices off the market.

CAMPUS PROGRESS

As a new member of the leadership of the George Washington University, I believe that the depiction in "The Prestige Racket" (September/October 2010) fails to capture GW's transformation in recent years. Our goal in all our endeavors is to raise the quality of the education we offer. Doing this has naturally involved investments in facilities. Contrary to statements in the article, these investments have been focused on making the university truly world-class. We have made major advances in our faculty hiring, selectivity in undergraduate admissions, development of rigorous graduate programs, and the creation of a robust residential community of scholars and students. We recently identified savings that enabled us to significantly increase the number of undergraduate advisers, create new faculty positions, and support other academic priorities.

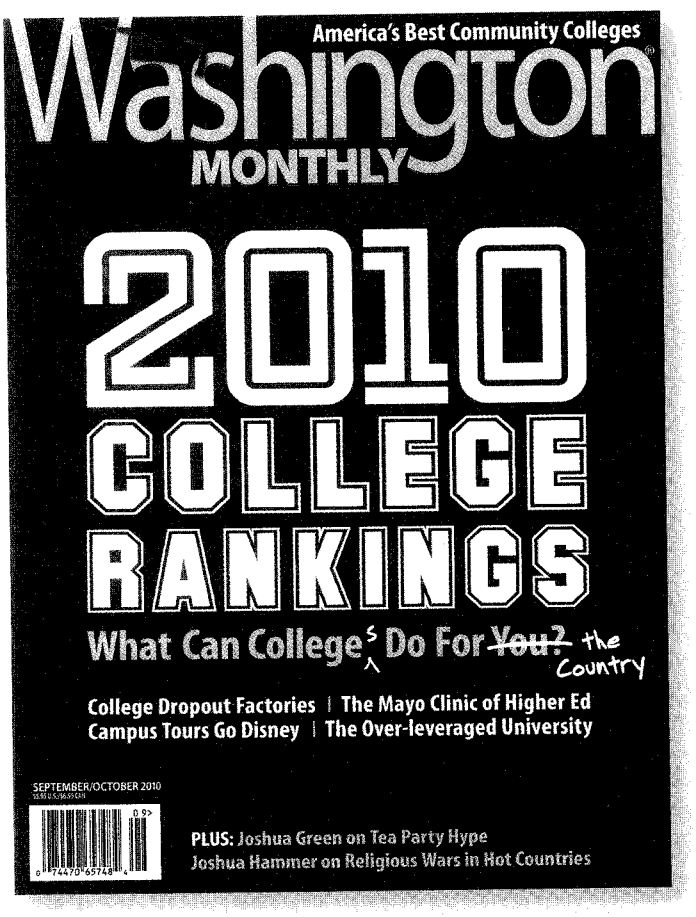
We have also focused aggressively for the last three years on affordability. Roughly 60 percent of GW undergraduates receive financial aid. Undergraduate aid has increased 47 percent in the last five years and graduate aid 20 percent. In addition, GW's tuition increases for undergraduates in the last three years have been among the lowest in the nation, with costs rising each year for new students less than 3 percent. GW also fixes tuition at the same level for up to five years of undergraduate study, thereby insulating students and parents from any increases in tuition costs.

Steven Lerman
Provost and Executive Vice President
for Academic Affairs
George Washington University

Daniel Luzer responds:

As I wrote in my article, in many ways George Washington University is a very good school. It is also, however, one of the most expensive colleges in the United States. GW has perfected a model of institutional advancement—raise tuition, build a lavish campus, aim for higher degrees of selectivity, and saddle students with debt—that excels at raising a college's ranking in U.S. News & World Report. *That's why the model has become so popular for university administrators—and made higher education in America so costly in the bargain. No doubt some improvements to campus facilities have the effect of improving education, but many of them simply serve the purpose of signaling prestige to prospective students. The question, as ever, is how you define "world-class."*

It's hard to know what it really means that "undergraduate aid has increased 47 percent in the last five years," since aid includes both grants and loans. But it certainly sounds promis-



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ing. The average GW borrower now leaves college with some $31,299 worth of debt. I look forward to the day when that figure drops far lower.

DISCOUNT RATE?

Thank you for your chilling and eye-opening report on Chicago State University ("College Dropout Factories," September/October, 2010), and in particular for demolishing the argument that their appalling statistics are due to demographics and not their own incompetence. I am a high school teacher on Chicago's South Side, where I teach eleventh- and twelfth-grade math. We are in the thick of preparing for college admissions and are speaking to our students daily about where they would like to attend and which colleges might be a good fit. We all knew that Chicago State was bad, but your story showed just how bad. Next time a student tells me he or she wants to apply there (we are located just three and a half miles from their campus), I will simply hand him or her a copy. I have sent your story to my charter network's college counselors, and am considering sending it to all the Teach for America corps members and alumni who teach high school here on the South Side.

Paras Bhayani
Via e-mail

We on the Faculty Senate at Chicago State University found the article "College Dropout Factories" to be an intellectually lazy hit piece. First, the very premise of measuring graduation rates is biased in favor of traditional residential universities, where full-time students constitute better than 95 percent of the student population. At Chicago State, most students are commuters, and better than one-third of the undergraduates attend part-time. There is only one dormitory on campus. The school also serves mainly transfer students. But graduation rates simply measure how many full-time, first-time freshmen make it to a degree. A student who enrolls for one semester or quarter at another college, then transfers and graduates from Chicago State, for example, is simply not counted.

Second, the student you profiled to demonstrate the problems with CSU was identified as a pre-engineering student who has transferred to another institution. As CSU only houses a pre-engineering program, all pre-engineering students must transfer to other institutions in order to receive bachelor's degrees in engineering—and are thus not counted in CSU's graduation rate!

Third, the article failed to mention the initiatives CSU has undertaken recently to address retention and graduation of first-year, full-time freshmen. For example, last year the university created the Office of the Freshman Year Experience—a student-centered support mechanism that provides advising, mentoring, and study support. Clearly, this shows an interest in improving student outcomes. However, while the article profiled the efforts of other universities to improve retention, CSU's efforts were not discussed.

This is not to deny that CSU has problems. The graduation rate of first-year, full-time students must improve. However, this article provides an intellectually dishonest picture of how the school performs. If the authors had at least defined how graduation rates are calculated, it would have been clear that CSU hardly qualifies as a "dropout factory."

Yan Dominic Searcy, PhD
Associate Professor and
CSU Faculty Senate President
Departments of Social Work and Sociology
Chicago State University

Ben Miller and Phuong Ly respond:

The Faculty Senate at Chicago State raises a set of commonly aired complaints about how federal graduation rates are calculated—protesting that they only look at full-time students beginning college for the first time, don't include incoming transfers, and treat outgoing transfers as dropouts.

In fact, the federal government's method of calculating graduation rates works in schools' favor. By tracking the progress of full-time, first-time students, the government is looking only at the students who are the most likely to graduate. Broadening the sample to include, say, older part-time students, who must balance the needs of work and family life, would almost certainly decrease a school's graduation rate. Thus, the 438 students who enrolled at Chicago State in 2002 as full-time, first-time freshmen may have only represented 41 percent of the entering class, but they were the ones who stood the best chance of completing their course of study. And of those 438, only fifty-six had earned a bachelor's degree by 2008.

It's true that Nestor Curiel, the student we profiled, left Chicago State in part because his program was only two years long and so won't be counted as a graduate. But neither will the students Nestor knew in his program who dropped out after trying for as long as five years to complete a course of study that should have lasted less than half that long. And regardless of what program Nestor was enrolled in, the real issues we tried to highlight were his problems with indifferent support, poor tutoring, and academic instruction that left him woefully unprepared to meet his goals in the future.

We are encouraged to hear that Chicago State is concerned enough about its graduation rate to undertake programs aimed at boosting it. But it would be premature to discount the school's recent history solely on the basis on these plans. When they produce real, measurable results in the form of better graduation rates, we would be glad to highlight that success.

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TILTING *at windmills*

By Charles Peters

Jobs versus schools: It's complicated

In January of 1979, Marion Berry was about to take office for his first term as mayor of Washington. A mutual friend mistakenly thought we might hit it off and brought us together for lunch. He asked me what I thought was Washington's number one problem. I said, "The public schools," which were already deteriorating rapidly. He looked at me incredulously. Jobs, he said, were the city's pressing need. It wasn't that one of us was right and the other wrong. The city did need better schools if its children, the majority of whom were black, were to have a better chance in life. But their parents had to have the ability to make a stable home for them so that they could learn. So at least one parent, and often both, needed a job.

What happened in the recent D.C. election was a collision of these two interests. The black middle class that consisted mainly of the teachers and civil servants threatened by Michele Rhee's dismissal of bad teachers were also the people who provided most of the stable homes in the black community. I think the teachers and civil servants were wrong to oppose Rhee, but I understand why they did. And it's important to remember that their fear of Rhee had another motivation rooted in history. For many years, attaining tenure was the only way blacks in Washington could be sure of fair treatment at the workplace, of not being unfairly dismissed because of their color. So tenure has a value to them even greater than it does to whites.

The state of our media: Truthless or toothless

I began my most recent column with what seemed to me the most obvious of truths, that despite their faults, Obama and the congressional Democrats are clearly better than the Republican alternatives. Yet two months later I find that this obvious truth, instead of being embraced by the liberal and whatever remains of the responsible moderate media, is largely ignored.

Lies are loudly repeated on Fox News but corrected mostly *sotto voce* by the rest of the media. Consider the Republicans' claim that small business will be devastated by Obama's plan to eliminate the Bush tax cuts on incomes above $250,000, a claim that is now a staple on Fox and often repeated on CNBC. In its business section, but not on its front page, the *New York Times* corrected this claim, showing that only 3 percent of small businesses would be affected. And of those 3 percent, many are not really small but very large subchapter-S corporations or limited partnerships, which the Republicans count as small businesses even though they aren't.

> I've lived through three decades—from 1940 to 1970—when making money was not the primary motivation, yet we enjoyed widely shared prosperity.

David Cay Johnson, who for years was a great reporter of tax issues for the *New York Times*, recently told Keith Olbermann that almost 20,000 of these "small" businesses each had incomes of $50 million or more. They include McIlhenny, the maker of Tabasco Sauce, and Bechtel, which at last report had an annual revenue of $31 billion.

Sometimes a guy just can't win

One of the most common criticisms of Obama is that he lacks passion. But when he made a speech in Cleveland, Ohio, on September 8—one that anyone who heard it would have to call passionate—the *New York Times* chose to place its report of the event on page A20. And even that story declined to explain that Obama displayed the precise spirit his critics said he lacked, and that the audience had responded enthusiastically. Instead, the story by Helene Cooper and Jackie Calmes began, "Speaking to rally his struggling party for the final weeks of the midterm election, President Obama delivered his most partisan speech of the campaign."

Fitting the narrative, not the news

A similar example of media coverage came after the Obama town meeting hosted by John Harwood on CNBC. Almost all reports of the event led with a black woman who said she had supported Obama but was disappointed. If another comment was quoted from the event, it was usually a crit-

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ical one by a Wall Streeter. The fact that almost all the other participants in the town meeting spoke warmly to and about Obama was ignored.

Glass half empty

Even NBC, in a report on the Obama tax proposal that led the *Nightly News* on September 19, failed to state that under Bill Clinton, the economy, including small businesses, flourished without the Bush tax cuts. And that segment of the news ended with the only "independent" expert quoted, Mark Zandi, speaking against the Obama proposal.

Mad money

Slate has published a fascinating series of articles by our former editor Tim Noah on the history of income inequality in the last century (see "The Great Divergence," Slate.com). It peaked in the 1920s under Coolidge and Hoover and underwent explosive growth under Ronald Reagan and Bush I, declined a bit under Bill Clinton, and escalated again under George W. Bush.

What fascinated me the most about the history is how each period of growth in inequality coincided with times when making money became a really, really important goal for many of us. During these periods, the assumption seemed to have been that money would buy happiness. Yet a recent study based on data from polling of 450,000 people at all income levels shows that once household income has risen above $75,000, factors other than income determine how you feel getting up in the morning.

On the other hand, the study did find that money influences one's self-evaluation. The more money people make above $75,000, the more they think of themselves as successful. In other words, even though our daily lives can be filled with stress and gloom, we think we're doing well simply because we're making lots of money. Frankly this strikes me as a kind of mass insanity, perhaps because I know it doesn't have to be that way. I've lived through three decades—the '40s through the '60s—in which making money was *not* the primary motivation, yet during which we enjoyed full employment and widely shared prosperity unlike what we have known in the last thirty years.

In case you need a cure for your hiccups

If you need another reason to vote Democratic, consider this: if the Republicans win the House, and if Obama and Biden should be killed, the president of the United States would be John Boehner.

Mediocrity to the barricades

Though its result was understandable, the recent District of Columbia election was bad news in that it represented a successful revolt of the tenured class. By firing bad teachers, the Fenty administration and its school chancellor, Michelle Rhee, posed a threat to every mediocre teacher and civil servant. Unfortunately the tenured also have political power in many other parts of the country, where they constitute a similar obstacle to school and bureaucratic reform. Fortunately the public at large seems to be waking up to the problems of tenure, stimulated in part by Davis Guggenheim's documentary, *Waiting for Superman*. It's not that tenure is always bad. Indeed, when wise decisions have been made in selecting those that are given tenure, it is certainly defensible. But too often, both in education and government, tenure has been awarded almost automatically—without regard to merit—to those who have been employed for two or three years.

> Lies are loudly repeated on Fox News but corrected mostly *sotto voce* by the rest of the media.

No easy fixes

The former *Monthly* editor Nicholas Lemann recently observed in the *New Yorker* that "the clear implication of most school reform writing these days—that abolishing tenure would increase student learning—is an unproven assumption." I wanted to be sure I understood, so I called Nick and asked him for clarification. He said he did not mean that he favors tenure—indeed, he is not at all sure that he does—but he wanted to caution against thinking that abolishing tenure would be the "silver bullet" that magically turns bad schools into good ones.

Government spending on you is excessive. Government spending on me is perfect.

The self-protective concerns of the tenured are part of a much larger problem in the nation as a whole. It is a concern for "holding on to mine" without regard to the public interest. Consider Wall Streeters' determination to preserve their wildly excessive incomes, even if it means opposing reforms that could benefit the whole economy. And the major problem for Obama right now is the anger of seniors at his health care reform, which they perceive as a threat to Medicare. The Tea Partiers now attribute their anger to a wide variety of grievances, including the deficit and big government, but it all began last summer at those town meetings, where we saw one senior after another screaming that he didn't want the government messing with his Medicare.

If you're looking to cut the size of government . . .

One mistake Tea Partiers make when they rant about big government is that they fail to discriminate. Sometimes government *is* too big. As Secretary of Defense Robert Gates has recently pointed out, the Pentagon's military bureaucracy needs trimming. He proposes a 5 percent reduction in the number of generals and admirals. In fact, even more cuts could be made. A veteran Pentagon critic, Winslow Wheeler, notes that during World War II, we had one general for every 6,382 enlisted men. Now we have one for every 1,519 soldiers. Even more dramatic is the contrast between today's American forces and the most effective armies of history—the Israeli force that won the spectacular victory in the 1967 war, which had a ratio of one general to 6,916 enlisted men, and

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the Roman army of 52 AD, which had a ratio of one to 8,711.

Marching madness

On a less lofty level, Gates also pointed out that the number of people in military bands now exceeds the number of foreign service officers serving in the State Department in Washington and throughout the world. The Marines alone have thirteen bands, with some 730 musicians. The Army, according to the *Washington Post*'s Walter Pincus, is spending $4 million to construct a new home in Alabama for the forty members of the Army Material Command band. This seems a bit excessive, since that command has a grand total of only 5,000 officers and enlisted men spread throughout the world. There are, Pincus adds, thirty-six other Army bands, plus eighteen Army Reserve bands, and fifty-three Army National Guard bands. And remember, we haven't even gotten to all the Air Force and Navy bands serving in the United States and abroad.

Fewer trombonists, more inspectors

On the other hand, at one regulatory agency after another, we see the need for more, not less enforcement personnel. The SEC, the FDA, and the Consumer Products Safety Commission are examples. More recently, the pipeline explosion in San Bruno, California, exposed a need throughout the country either for more inspection or for more rigorous requirements that defective pipes discovered by inspection are repaired or replaced.

Regulation by milquetoasts

Of course, sometimes when there is an adequate number of inspectors, they are conditioned not to make trouble for the inspected. When the Department of Agriculture inspected Wright County Egg in Iowa, later found to be a major source of salmonella, they discovered, according to the *Wall Street Journal*, "[d]rain clogged, full of shells," "bugs everywhere," "cooler floor was dirty, lots of trash," and "the dry storage area had lots of trash, cartons on the floor everywhere." These reports came from inspections that occurred from April 1 through August 17 of this year. But the DOA failed to tell the FDA, which is responsible for egg safety, about these problems. The salmonella outbreak occurred a few weeks later. Why didn't the DOA say anything? "The conditions at the egg plant packing facility were routine." In other words, the plant has always been a mess, so why speak up now?

The Lipitor loophole

When the Obama administration was working on health care reform, the drug companies reached a deal with the White House to fend off legislation granting government the power to negotiate drug prices. The drug companies promised that when seniors reached the so-called "donut hole"—the point after which seniors must pay full price for drugs otherwise paid for by Medicare—the drug companies would offer a 50 percent discount on name-brand drugs.

But there is a loophole to which seniors should be alert: 50 percent of what? The drug companies are already increasing retail prices. They could continue to do so to the point that a discount of 50 percent off the new price would be equal to 100 percent of the old price. Remember the lesson of history is that private enterprise can do great things, but you have to watch it like a hawk. If you're not looking, far too many businesses, including drug companies, have proved willing to screw us on the assumption that they can get away with it.

> The lesson of history is that private enterprise can do great things, but you have to watch it like a hawk.

Nothing ventured, nothing gained

If our purpose in aiding small business is to create jobs, then we should concentrate on the startups. They are the ones that produce the new jobs, according to recent research reported by Steve Loher in the *New York Times*. Loans do them little good. What they need, according to Josh Lerner, a professor at Harvard Business School, is equity investment. As I found out when I started this magazine, if you don't have enough friends willing to bet on you, the sources for that money are the people that Wall Street calls "venture capitalists." If Wall Streeters truly believed in the pieties they recite about helping the economy, far more of them would be venture capitalists instead of parasitic traders.

War without end, Amen

To me, the most frightening of many frightening quotes from *Obama's Wars* by Bob Woodward is this from General Petreaus about the war in Afghanistan:

"You have to recognize also that I don't think you win this war. I think you keep fighting. It's a little like Iraq, actually ... Yes, there's been enormous progress in Iraq. But there are still horrific attacks in Iraq, and you have to stay vigilant. You have to stay after it. This is the kind of fight we're in for the rest of our lives."

This explains why presidents need to bring plenty of skepticism to the table whenever they seek the military's advice. Generals think primarily in terms of military solutions to problems. They would have kept us in Vietnam indefinitely, even though it also was a war we could not win. They boxed in Lyndon Johnson just like they boxed in Obama, giving him no option other than escalation.

In 1964 General Maxwell Taylor, alone among the military, briefly stood up against the Pentagon's desire to escalate. But by 1965 he too was converted. In the case of Afghanistan, only Lt. General Douglas E. Lute is a skeptic, and he is outside the Pentagon, serving as Obama's deputy national security advisor.

Ignoring the yellow lights

Before Obama finally went along with the limited escalation, Lute warned him, as Woodward explains, of the following risks:

"First, there was Pakistan, the heart of many of the problems because of Taliban and al-Qaeda havens there. Second, gov-

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ernance and corruption in Afghanistan—huge problems with no practical fix readily available. Third, the Afghan National Security Forces—army and police—probably could not be fixed even with a decade-long effort costing tens of billions of dollars. Fourth, international support from the 41 U.S. allies in Afghanistan was in peril.

"'When you look at these [risks] discretely,' Lute continued, 'you might be left with the impression we can manage this risk. But I would offer you another model. Look at them as a set, and then you begin to move, in my mind, from a calculated risk to a gamble.'"

During a crucial White House meeting that led to the major escalation in Vietnam in 1965, Johnson's national security advisor McGeorge Bundy made a similarly impressive case against getting more deeply involved, only to conclude that we had to do so. Secretary of Defense Robert McNamara said there were answers to most of the doubts Bundy had expressed, but no one asked him what the answers were—or what he couldn't answer.

> The self-protective concerns of the tenured are part of a larger problem: "holding on to mine" without regard to others.

Opposition research

In early August, four days before the Colorado primary, the *New York Times* published a front-page story that accused Michael Bennet, the former superintendent of Denver public schools and the incumbent candidate for U.S. Senate, of having made exotic investments that threatened the school system's finances. On the following Monday, the *Times'* correction box noted that Jeannie Kaplan, the author's original source, who was twice directly quoted in the story, was in fact a backer of Bennet's opponent. Of course the correction ran not on page 1 but on page 3, and without the multicolumn headline that had run over the original. The most disturbing fact here is that Gretchen Morgenson, the story's author, and its editor had both been told about Kaplan's opposition to Bennet before the article was published. Indeed, the *Denver Post* seven months earlier revealed that Kaplan, who as a school board member had twice voted to approve the deal, had only come out against it after she joined the campaign of Bennet's opponent.

The two other school board members who were sources for Morgenson also supported Bennet's opponent. Indeed one of them was a paid consultant for the opponent, a fact that had been revealed in the *Denver Post* before Morgenson published her story.

Meanwhile, while nobody was paying attention ...

I am amazed at how little reporting I've seen about the danger I mentioned in the last issue that the Republicans could win state legislatures this fall and thus control redistricting next year. This would mean more safe districts for Republican candidates, which in turn means more of the far-right wingers who now usually win Republican primaries. As of the beginning of October, only the *New York Times* has run a front-page story reminding its readers that redistricting will happen next year and will be determined by this fall's election.

Pulp this item

Anthony Schaffer, a lieutenant colonel in the Army Reserve and a former Defence Intelligence Agency officer, has written a book, *Operation Dark Heart*, about his experiences doing intelligence work in Afghanistan. The book was submitted for review by the Army, which, after requiring several changes, approved it for publication. Ten thousand copies had been printed and a hundred or so distributed to potential reviewers and others when suddenly the National Security Agency and other intelligence agencies decided that 200 passages contained classified information. Now the Pentagon, reports Scott Shane of the *New York Times*, "is arranging to buy and pulp" all of the 10,000 copies that have not been distributed.

Among the facts deemed dangerous to national security are that the CIA has a training facility at Camp Peary, Virginia; that "SIGINT" means signals intelligence; and that the NSA, which is based in Fort Meade, Maryland, is nicknamed "the Fort." Each of these facts has been widely known for years. Doesn't this raise serious doubts about the intelligence of our intelligence agencies?

And as Colonel Schaffer points out with respect to the redacted pages, the intelligence agencies that cut them are in effect putting them in flashing neon lights for foreign agents who compare the new version with one of the already distributed copies.

Don't ignore the majority

Liberals' reaction to reproaches from Obama about not "being serious" and from Joe Biden about "whining" have largely consisted of further criticism of the president and his administration. Consider Peter Birkenhead's quote, "I'll quit whining when you start fighting," in Salon.

Birkenhead cites a recent poll finding that 55 percent of likely voters believe Obama is a socialist—and proceeds to blame Obama for their mistake. I blame Wall Streeters, Rush Limbaugh, Glenn Beck, and his pals at Fox News—and the failure of liberals to care about persuading the majority of Americans that the lies about Obama are indeed lies.

The liberal media tends to dismiss as fools those who believe the lies. Even my favorite comedians, Jon Stewart and Stephen Colbert, are guilty of this kind of condescension.

What Obama needs, and what Franklin Roosevelt was blessed in having, is someone like Will Rogers, a great comedian who spoke down-to-earth common sense and who was loved by the great majority of Americans. His gentle humor about the plutocrats who hated Roosevelt and about our need to help our neighbors who were down and out was much more influential than historians credit with persuading the average man to embrace the New Deal. WM

Charles Peters is the founding editor of the *Washington Monthly*.

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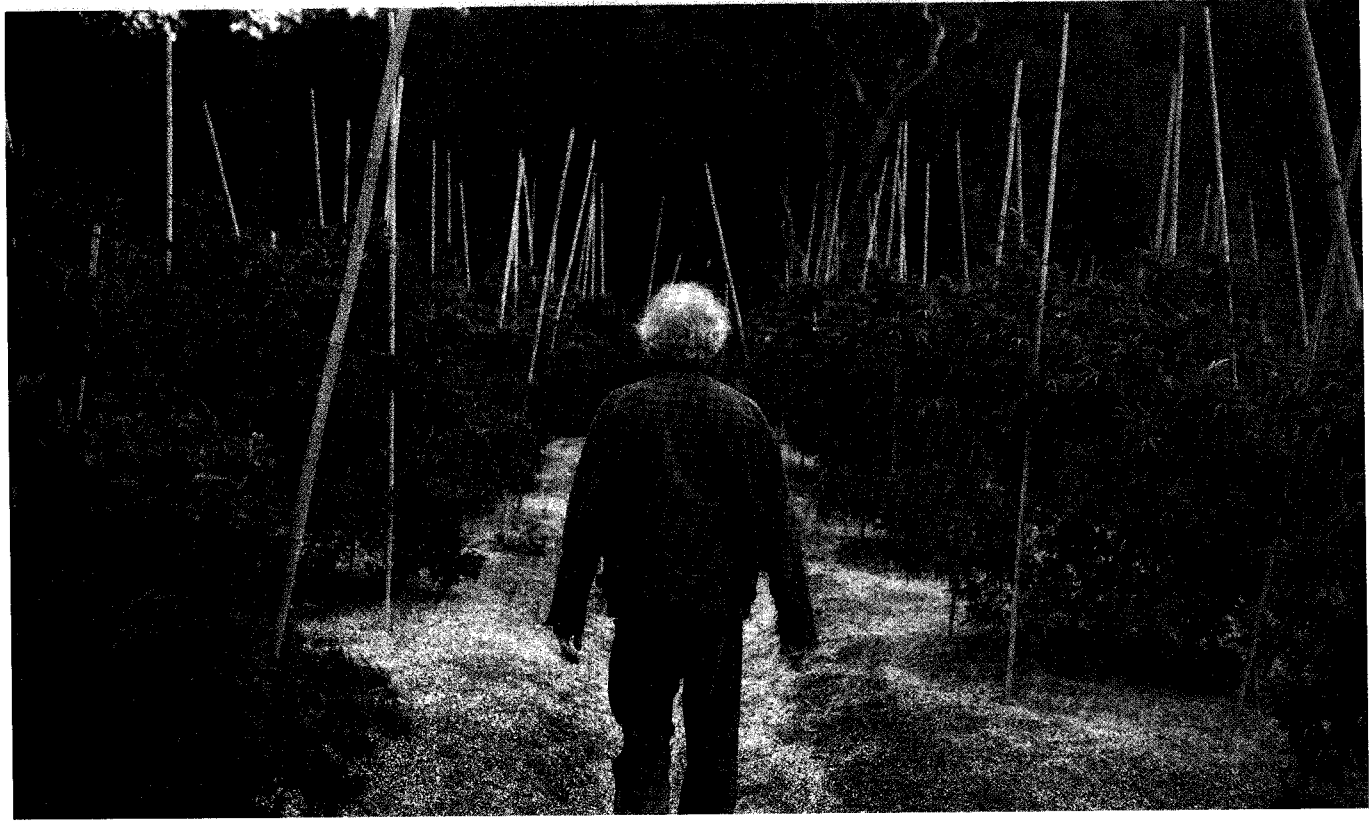

Into the unknown: A marijuana grower walks in his field in Mendocino County, where as much as two-thirds of the local economy depends on pot.

Lauren Lancaster

The Closing of the Marijuana Frontier

California is not just deciding whether pot should be legal. It's determining the shape of a major new American industry.

By John Gravois

When my wife and I bought a house last year in the little town of Ukiah, California, the first person to offer us advice about growing marijuana was our realtor. The house was a stolid 1909 prairie box that had been partitioned into four units, with a front porch, dark green trim, and a couple of fruit trees in the yard. It was charming, but we probably would have settled for a yurt. What mattered most to us was having a foothold in Mendocino County, a place we had long ago decided was the most beautiful in America.

Our realtor, however, drew our attention to the house's electrical meters. There were four in total, one for each unit. If we ever wanted to grow a few indoor pot gardens, he said, we had an ideal setup. I laughed and thanked him for the tip.

Then the advice kept coming. A neighbor offered to help me get started with a few plants whenever I was ready. The owner of a local hydroponics supply store shook my hand and encouraged me to stop by his warehouse. "We'll set you up," he said. Ukiah, I realized, was weirder than I thought.

I'd always known that pot was a huge part of the county's livelihood, accounting for two-thirds of the local economy, by some estimates. But in eight years of visiting the place with my wife—including one gloriously unsuccessful four-month experiment in backcountry living—I'd never so much as set eyes on a seven-fingered leaf. Then, last year, I began exploring the region's cannabis economy in earnest, setting out for dirt roads in the hills and basements in Ukiah, occasionally wearing a blindfold.

Gradually a new picture of Mendocino County began to emerge. Neighborhoods in town were dotted with light-flooded outbuildings packed with plants, quietly paying the mortgages of those who tended them. And the county's amber and green

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hills were full of homesteaders who for decades had been leading the kind of existence we'd once failed at—men and women who'd come for the land but managed to stay because of marijuana. Many had built their own off-grid homes and outfitted them with elaborate solar arrays, potbellied stoves, and well-tended gardens. In an age of homemade baby food, fire-escape agriculture, and home-brew chic, they'd achieved an almost mythical ideal: economic independence derived from a small piece of earth.

The rub, of course, was that these paragons of yeoman virtue were often antisocial, paranoid wrecks. Marijuana's high price under prohibition made it possible to earn a decent living from a small patch, but someone was always losing a crop, fleeing into the woods, or going to jail. "It's like the sharks come in and just eat a few people," one grower told me. Mendocino County, in short, is as tortured by prohibition as it is dependent on it. But what agonizes the county even more these days is the thought that it could all be coming to an end.

A neighbor offered to come over and help me get started with a few pot plants. The owner of a local hydroponics supply store encouraged me to stop by his warehouse. "We'll set you up," he said. Ukiah, I realized, was weirder than I thought.

On November 2, Californians go to the polls to vote on whether to start treating cannabis as just another adult recreational drug. The Regulate, Control, and Tax Cannabis Act of 2010—also known as Proposition 19—would legalize the possession and cultivation of pot in small amounts for adults, while handing the authority to regulate commercial marijuana production and distribution down to counties and cities. Polls as of this writing show that the measure might well pass. If it does, the Rand Corporation predicts that the price of marijuana will fall by as much as 80 percent. But even if the referendum doesn't pass, a new initiative will almost certainly reach the ballot in 2012, and growers, dispensary owners, and pro-pot local governments will continue to test the boundaries of the state's fourteen-year-old medical marijuana law. Whatever happens on November 2, the edifice of prohibition is crumbling in California, and one of the largest informal economies in America is inexorably emerging into the mainstream.

In the process, a great scramble has commenced. A sundry cast of industrialists and old-line homesteaders, cartel growers, and hipster dispensary owners are fighting to determine the future of California's largest cash crop. In a replay of history as both tragedy and farce, the mainstreaming of marijuana promises to revive a host of old American dramas: from the contending but always recessive vision of the nation as a prosperous agrarian republic, to the country's founding relationship with lucrative mind-altering substances, to the frenzied migrations of the gold rush, to the industrialization of agriculture, and the closing of the western frontier. Rarely have these events reached conclusions that were altogether happy or fair. The forces of consolidation and backroom politics have usually benefited the big at the expense of the small. But is there any chance that this time, in a comedy of stoners, the story of American industry might find a different end?

In the early-morning hours of October 8, 2009, a category-one typhoon made landfall on the southern coast of Japan, killing two men, shutting down twelve Toyota factories, and suspending rail service across Tokyo. Then it pushed back out to sea and vanished over the cold expanse of the North Pacific. A few days later the front reappeared off the coast of Northern California. In Mendocino County, news of the approaching storm rousted a throng of dusty vehicles from the hills, causing traffic jams and long lines at supply stores in Ukiah, the county seat. The backcountry's marijuana growers, hurrying to prepare for a forced harvest, were out in full strength.

I happened to be riding shotgun in one of those dusty vehicles, a creaking white delivery van driven by a blue-eyed, ponytailed marijuana grower named Matthew Cohen. A lanky thirty-two-year-old with wraparound shades and a goatee, Cohen had agreed to show me the ropes of harvest season.

The inland hills of Mendocino County reliably see no rainfall between the months of May and October, an interval during which the sun blazes, as one 1880 history of the area put it, "as if fully determined to prove to mankind that it can shine more fervidly to-day than it did yesterday." That plenitude of sun, which is shared by Mendocino's neighbors, Humboldt and Trinity counties, has helped cement the region's status as the capital of American cannabis production—known collectively as the "Emerald Triangle." Topography has also helped. The region is essentially a crumple zone emanating from an offshore junction of three tectonic plates. Seen from the air, it resembles a sheet of green aluminum foil that has been tightly balled up and then only loosely flattened out. The area spreads from the Pacific in the west to the mountains above the Central Valley in the east in a shatter-pattern of canyons, occasional bowl-like valleys, and arcing slopes. It's virtually unpoliceable.

With full sun, healthy marijuana plants in Mendocino County can reach heights of fifteen feet. But fully grown specimens—gangly things—break up in wet weather. The outdoor cannabis growing season thus becomes a race to bring one's crop to maturity before the first heavy October rains, whose forecast each year ordains a rare moment of synchronicity in an otherwise atomized trade. Every farmer with plants in the sun has to bring them down at the same time.

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Like most of his peers, Cohen was on his way into town to pick up supplies for his trimmers, the laborers who break the resinous crop down into so many perfect little buds, working as fast as possible to get the product out to market. It's painstaking, labor-intensive work, and getting stoned in the process is hard to avoid—so snacks are important. Our first stop was the Ukiah Natural Foods Cooperative, the area's premier depot for goods like solar-brewed beer, organic corn chips, and Tofurkey. In one of the aisles, Cohen slowed his shopping cart to chat with another grower about the approaching storm. "Big one," said the other guy with a hint of melodrama. "Like 1.8 inches, high winds. So—keep that in mind." The store had the feeling of a base camp before an expedition.

In search of Pepsi, we headed across the street to Safeway. Just inside the automatic doors was a large product display at the head of an aisle. "Turkey bags," Cohen said. "You ever heard of these?"

A turkey bag, I learned, is a Reynolds product designed for roasting poultry. It also happens to be the industry-standard container for transporting pounds of pot. The chemical properties that keep a plastic roasting bag from melting in a 350-degree oven also make it impervious to the skunk smell of marijuana. "I've seen guys buy cases of 'em," said the checkout clerk, dragging two boxes of turkey bags for Cohen across the infrared scanner. He looked up with a grin. "I mean, I guess they *could* use them to cook turkeys."

By now I was beginning to recognize the signs of harvest everywhere. At Home Depot, just down the road, bins near the checkout lanes heaved with Fiskars Pruning Snips—small florist's shears that are the tool of choice for marijuana trimmers. On Highway 101 on the way out of town, Cohen and I zoomed past several hitchhikers—would-be trimmers—stationed along each of Ukiah's dry brown interchanges. One of them, thumb out, wore a pair of pruning snips on a piece of twine around his neck.

After traversing an ever-narrowing series of county roads, Cohen pulled up to his farm on a gravel driveway. A keypad-activated electric gate opened onto a sprawling organic garden flush with tomatoes, corn, broccoli, beets, and other vegetables. A more distinctly fragrant crop grew in a greenhouse toward the back of the property.

In his bid to weather the transition to a post-prohibition business, Cohen had just launched a medical marijuana cooperative with an unusual model: there would be no marijuana dispensary. Instead, the cooperative, called Northstone Organics, would deliver sustainably grown cannabis "farm direct" from Mendocino County to the Bay Area. Included in the deliveries would be fresh organic vegetables from Cohen's farm: mizuna alongside the marijuana. As time went on, Cohen hoped, other small organic growers would join the cooperative and do an end run around the big-city medical marijuana dispensaries, which folks in Mendocino were beginning to regard as high-handed and domineering. Ultimately, in a post-prohibition era, he wanted to see the county bloom with scores of "cannabisseries"—roadside farms with tasting rooms pitched to the day-tripping connoisseur. "As you're driving the 128 through Boonville, tasting champagne," he enthused in his farmhouse office, "you'll be able to roll into a facility that's processing 500 pounds of cannabis a year—a nice little microbrew, they specialize in a specific varietal of Bubba Kush." In his vision, the entire county would be branded under the line, "Small farms, strong communities, sustainable living."

"You know," he said with a mildly embarrassed laugh, "every good value that exists in this county is what we're gonna try to embody in a tourist trap."

The largest dispensaries in California—the entities that Matt Cohen is hoping to sideline—are based in the San Francisco East Bay, primarily in Oakland. That a perennially struggling port city should have emerged as the capital of the nascent marijuana industry was mostly a political accident. In February of 2004, the Oakland City Council, alarmed by a proliferation of fly-by-night medical marijuana storefronts in the city center, reduced the number of dispensary permits it would grant to four. Later that year, the neighboring Berkeley City Council followed suit, limiting its number of dispensaries to three.

Once an industry begins to consolidate—whether it's oil, agribusiness, tobacco, or booze—a self-reinforcing cycle of power tends to stamp out alternatives and buck attempts by lawmakers to bring it under control.

For the dispensaries that remained, the two ordinances established near-monopoly power over a huge medical marijuana market. The Oakland marina is now home to the world's largest marijuana storefront operation, a dispensary called Harborside Health Center, which serves 58,000 patient members and brought in $21 million in revenue last year. Steve DeAngelo, the dispensary's ingenious pigtailed CEO, has spared no expense to give the center a wholesome, unthreatening look, with large windows, soothing interior design, and biometric locks on every door. The dispensary counter has the feel of a checkout desk at an unusually nice school library. Digital readouts on the cash registers stream the words, "Out of the shadows, into the light."

Essentially forbidden from turning a profit, large dispensaries are often left with piles of surplus "discretionary income," with which they have been able to purchase much goodwill. Harborside offers all of its members free yoga classes, chi-

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ropractics, acupuncture, marijuana-growing clinics, and even rehab. Other dispensaries put money toward neighborhood beautification and other civic causes. Berkeley Patients Group, the largest dispensary in its home city, has become such a local darling that city leaders officially declared October 31, 2009, "Berkeley Patients Group Day."

When I stopped by Berkeley Patients Group for a visit last year, the dispensary was in the midst of a rebranding campaign, positioning itself to expand into other states. "Eventually it'll evolve into just BPG," explained Brad Senesac, the dispensary's marketing director. "We won't be Berkeley Patients Group. Then we won't have to be a patients group, eventually. We can just be a dispensary where people come and get marijuana." Last year, after Maine legalized medical marijuana and handed out six permits to dispensaries, a BPG spinoff called Northeast Patients Group won four of them.

Perhaps no individual exemplifies the consolidated political power that has accrued to Oakland's dispensaries more than a wheelchair-bound former roadie named Richard Lee. Headquartered in downtown Oakland, Lee runs a several-block empire that includes Oaksterdam University, a trade school he founded in 2007 for workers in the medical marijuana industry; the Blue Sky Cafe, a coffee shop–style dispensary; and the campaign headquarters of Proposition 19. While other dispensaries in the area have put their discretionary funds into acupuncture clinics and out-of-state expansion, Lee has used the wealth of Oaksterdam—to the tune of over a million dollars—to get Proposition 19 on the ballot and to run its campaign.

A turkey bag is a Reynolds product for roasting poultry. It is also the standard container for transporting pot. The properties that keep it from melting also make it impervious to the smell of marijuana.

When I interviewed Lee this August, he had just come back from a Proposition 19 fund-raiser in Los Angeles. An avowed free-market libertarian, he has always lamented Oakland's decision to limit its number of dispensaries. But toward the backwoods farmers of the Emerald Triangle, who complain about his undue influence on the trade, Lee is unsympathetic. "The growers can operate behind the scenes quietly. They don't give anybody their address and Social Security number, whereas the dispensaries have been right out there leading with their chin," he said. "Maybe that's why the dispensaries have a little more political power." Lots of growers see Proposition 19 as a law designed to give even more sway to Oakland's big pot entrepreneurs, who would be best positioned to negotiate the most favorable local regulations. But Lee, from his office in Oaksterdam, views the initiative as a simple matter of civil rights. "I got into this to just legalize it," he said. "I didn't get into it to protect the small grower or the big grower."

"Cultivators of the earth are the most valuable citizens," wrote Thomas Jefferson. "They are the most vigorous, the most independent, the most virtuous, and they are tied to their country, and wedded to its interests by the most lasting bonds." The first marijuana growers in Mendocino and Humboldt counties were urban castaways who went "back to the land" in the 1960s and '70s, many of them chasing a latter-day version of the Jeffersonian ideal. They came to "unplug" from the ignobility of consumer society, to find an existence that was at once less fragmented and more self-sufficient. The Redwood Empire was an obvious destination. The region's fishing and timber industries had collapsed, and the countryside was wide open with marginal land that had already been logged. Property was cheap and abundant.

"We bought 300 acres for $60,000," says John Schaeffer, a white-bearded homesteader who arrived in Mendocino County in 1971. "This was at a time when you had people from New York, Los Angeles, the Bay Area all moving in here." At first the latter-day Jeffersonians barely got by; they built houses with salvaged timber, sometimes from old redwood chicken coops, then scraped together subsistence incomes however they could. Many lived off the power grid, raising their families by kerosene lamp. "Everyone was struggling," says Schaeffer. "No one had any money." Meanwhile, in their fields, along with all the food they were growing, they sowed marijuana.

At the time—the height of marijuana consumption in America—almost all of the country's commercial supply came from Mexico and Colombia. "Homegrown" was regarded as something akin to bathtub gin. Then, beginning in the mid-1970s, the Mexican government began spraying marijuana fields in the Sierra Madre Mountains with Paraquat, an herbicide poisonous to humans. When some of the tainted pot found its way into the American supply, panic ensued.

The drug trade needed a new source, and in Mendocino County, the marijuana that people were already growing in their gardens suddenly began wholesaling for $1,000 a pound. Almost overnight, the back-to-the-landers—who had just dropped out of consumer society—found themselves blessed with an abundance of purchasing power. Many wound up putting their money toward counterculture ideals that have since gone mainstream: organic food, localism, sustainability. Before long, businesses cropped up, eager to create markets around their aims and preferences.

The best example of how pot helped incubate the green economy is probably John Schaeffer himself. In 1978, he opened a store in the town of Willits called Real Goods, aimed at provisioning the off-grid homesteader. Initially, many of his wares

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were just supplies for growers: drip lines, chicken manure, fencing materials. Then one day a man representing the Southern California energy firm ARCO Solar showed up at the Willits store in a Porsche. He had with him two blemished photovoltaic panels; ARCO was manufacturing them for the space industry. "They didn't meet military specifications, so they had to dump them," Schaeffer recalls. "They were going for $900 apiece." Schaeffer bought the two panels and set them up in the store, marketing them as a way to power music systems in the hills. They were the first solar panels ever sold on the American retail market. By the mid-'80s, Schaeffer wasn't selling chicken manure anymore. Today his Real Goods is an $80-million-a-year national solar business.

Unfortunately for those in the hills, the marijuana boom didn't just bring disposable income; it also brought government helicopters. After a period of relative freedom in the late '70s, risk caught up to reward, and growers found themselves the target of an immense, quasi-military task force called the Campaign Against Marijuana Planting (CAMP).

"When CAMP started up, they came into these areas really hard," recalls Eugene "ED" Denson, a lawyer based in Humboldt County (and a former manager of the band Country Joe and the Fish). "They would make bases and be here for weeks. They would quite literally just start at the river and start walking up the mountain, seizing everything they'd find, going into all the homes, smashing all the canned goods in case there was anything hidden at the bottom of the jar—things like that—destroying musical instruments.

"They would fly great bales of marijuana out in nets on helicopters. And when the raids were on, people would come streaming out of the hills and stay at the store," he says. "They would fly the helicopters with the marijuana past the store, so everyone could see the crop going out.

"By today's standards," he adds, "they didn't find much."

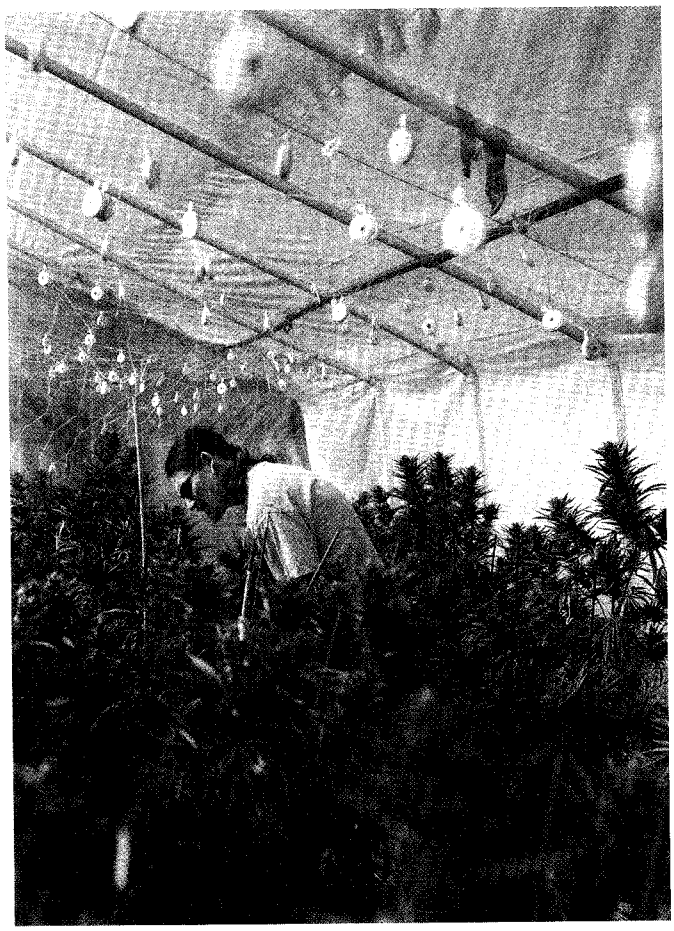
The cannabis windfall and the modern-day gold rush that accompanied it changed the culture of Mendocino. "It used to be people came up here and learned carpentry, plumbing, welding, mechanics—basic life skills that you need to live in the country," says Schaeffer. In the case of more recent arrivals—and, all too often, the second generation of homesteading families—things are different. "All they know how to do is grow and trim."

Lifestyles of hardscrabble subsistence gave way to private schooling for kids and vacations in Bali. Today, in some towns, marijuana is the only major business, and what other businesses there are can offer no comparable wage. Everyone seems to have a story of some enterprising high school student who managed to earn $50,000 or $100,000 growing pot over summer vacation.

For many homesteaders, the dependence on marijuana has fostered a sense that they live under a different social order altogether. "In my rural community we have no outside services," one resident of the Humboldt hill country told me recently. "We had to beg to get phone here. I have no broadband service. It's an hour and a half for the cops to get here. The hospital is a disaster area. The road doesn't come out our way. We get no county services. Most of our kids don't go to county schools." Out of 300 families in her community, she said, only five of them *don't* grow pot. And like the colony at Jamestown, where leaves of tobacco became the only practical currency, parts of the Triangle have even seen cannabis emerge as a local medium of exchange. The same resident described a recent effort at backwoods revenue collection: "They passed out marijuana plants to people and said, 'Grow this one for the fire truck. This plant over here is for the school; this plant over here is for the road.'

"We're paying taxes in our own way," she said, "it's just not in the conventional sense."

Despite the risk of law enforcement busting down the door, the high price of marijuana also brought unprecedented new waves of migration to the Redwood Empire. In 1996, when California voters passed Proposition 215, legalizing medical marijuana, the "green rush" began drawing people from all over the world. "When I defend some of these things in Mendocino County," says Denson, the attorney, "it's like a United Nations project or something. It's hard to even find two people from the same country involved in the case." One day in Ukiah, I met a young man camped outside of Walmart who was looking for trimming work. He spoke broken English and said he



Greenhouse grass: Matthew Cohen tends his crop of organically grown marijuana plants.

Lauren Lancaster

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was trying to earn enough for a plane ticket home. He was an Israeli Arab from the Golan Heights.

Residents of the Emerald Triangle often draw a hard distinction between two kinds of pot farmers: those who came to the area out of a desire to "live with the land," and those who came later just "for the grow." Of the latter sort, the most notorious offenders are the alleged cartel growers from Mexico—or, more recently, from Russia and Bulgaria—who work deep inside the state's public lands and grow plants by the thousands. They remain a shadow presence, capable of scaring people away from the national forests but largely invisible to most citizens except on TV news reports.

For many of those who make their way to the Emerald Triangle to find their fortune, however, the line between opportunism and romance is strikingly blurred: the most recent arrivals sometimes talk like the most beautiful dreamers, breathlessly extolling the promise of forty acres and a patch.

Last year, during harvest, I met a twenty-four-year-old woman who had just moved to Ukiah with her young husband from Wisconsin. "I feel like I've come to the promised land, I really do," she told me, even though she and her husband were residing indefinitely in Ukiah's Discovery Inn. "We're probably gonna settle down and eventually be farmers, and we're gonna have babies here. It'll allow us to have children—him to be the one who works, me to be able to take care of my kids and have a garden. To have, you know, a normal life. Otherwise we'd both be in a cubicle for sixty hours a week."

In a post-prohibition era, Matthew Cohen wanted to see Mendocino County bloom with scores of "cannabisseries"—roadside farms with marijuana tasting rooms pitched to the day-tripping connoisseur.

When I next encountered the young woman, it was in the local newspaper this past July. She had been arrested, along with a partner, and charged with possession of marijuana for sale, possession of concentrated cannabis, and conspiracy to commit a crime. The two suspects had been processing hash in a motel room. For all her dreams of becoming a farmer, she had only managed to switch hotels—from the Discovery Inn to the Motel 6.

Even those who came to live with the land found their original dreams warped over time by the wealth marijuana brought to the county. "When I first came here," says a 1970s homesteader whom I'll call Mark, "we were all struggling. We cut shakes. We cut firewood and sold it. We did a lot of stuff to make a few hundred bucks here and there. [Marijuana] was there and had been around for a few years, but nobody really understood it too much. Everybody that I knew had 150, 200 plants in the garden and they were growing six inches to a foot apart. The pot was the equivalent of Mexican $10-an-ounce crap.

"My neighbor over the hill and her husband, they were struggling to make a living, and he had got a contract to grow some worm beds. Growing worms was a big thing. You could make a little money on it: you had the worm castings you could sell, and the worms you could sell. You built these eight-by-eight beds and filled them full of fertilizer. And Jill said, 'Don, do you think it would be okay if I put a couple of marijuana seeds in the corners of the beds? That wouldn't hurt the worms.' And Don said, 'Well, yeah, I guess so.' That year, I remember he wanted to buy a tractor. Just a little tractor that could plow the fields and move stuff around. It was 700 bucks, and he was trying to get the 700 bucks.

"The next scene was, this pot came out and it was *amazing*. We called it 'Brand X' because nobody had anything like this, at least not in our neighborhood. So Jill was over there and I was talking to her and she said, 'I'm gonna sell this stuff for $15 an ounce.' I said, 'Oh Jill, that's a ripoff.' I was half joking, half serious.

"Before that season was over, she was getting $600 a pound. That was *a lot of money*.

"All of a sudden the next season opened at $900 a pound. Then it was at $1,200 a pound. That was '77. We couldn't believe it. Now everybody's growing it. If you could make that kind of money just putting a few plants in the ground, this is going to be a miracle: we can make a living, and pay the taxes, and buy the kids presents for Christmas. It was good, you know?

"The next scene was in '78. I had a round table here in the kitchen. I'm sitting here, and this guy comes over. He says, 'I'm buying your pot, and I'm paying $1,800 a pound.' And he's forking out hundred-dollar bills on the table. And the next thing, he stands right over there with his back to the corner and pulls out this little [*here Mark sniffs sharply*]—

"And I said, 'What was that?'

"'Oh, coke. You want some?'

"And the next thing, coke infests the ridge here. An ounce for a gram was the trade. That was the deal. And that was the beginning of the end of our innocence.

"By '79 it was getting to be a drug scene rather than a family scene with a little marijuana in there. I was at a New Year's Eve party at one of the houses down here. And all of a sudden instead of us getting stoned, mirrors are laid out and there's lines all over the place and everybody's just tootin' up. Next thing we know we're standing there and the sun's coming up. The next day I was over at Don and Jill's, and Don said, 'You know, a year ago I was struggling to get enough money for a tractor. And we tooted up my tractor two or three times last night. Just tooted it up our noses.'"

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When he wasn't expounding on his theory of a virtuous agrarian republic, Thomas Jefferson was often expressing dismay at the actual behavior of American small farmers. When a profitable cash crop like tobacco was involved, stewardship of the land all too often went out the window. "The indifferent state of [agriculture] among us does not proceed from a want of knowledge merely," he wrote. "It is from our having such quantities of land to waste as we please."

The crackdowns of the 1980s forced some homesteaders out of the marijuana business, but others just got more creative: while the risks involved in growing had shot up, so too had the drug's price, which reached $5,000 a pound in the mid-'80s. At first growers simply moved their plants into the shade, where CAMP's helicopters couldn't see them. Some engineered outrageous contraptions that allowed them to grow on platforms in the tree canopy. But the paucity of sunlight took its toll on the quality of the crop, and so the underground industry made its next evolutionary shift: it sent growers indoors. Packing thirty-six plants into a four-by-eight-foot shed under thousand-watt lights became an exacting science.

It also caused the use of electricity to skyrocket. Between 1996 and 2010, per capita energy consumption in Mendocino County increased at a rate of over three times the average for the state; in Humboldt County it went up six times more than the average. And that's not counting the region's innumerable generator-powered grows, churning out tons of "diesel dope." These can take the form of a simple garden shed, packed with two or three thousand-watt lights run off a small diesel generator. Or, to cite an example from police records, they can take the form of eight buried shipping containers radiating out like spokes on a wheel from two massive central power units—the sorts of generators designed to supply emergency backup power to a hospital.

California's 1996 medical marijuana law took much of the fear out of pot farming for growers willing to abide by certain limits. But in a twist bewildering to those who have kept faith with organic growing, cannabis produced indoors under heavy lights—using techniques that evolved largely for the sake of hiding from helicopters—has become the medical industry standard. For dispensaries, it's a matter of "bag appeal": just as hothouse tomatoes have a pillowy, unweathered look, indoor pot tends to have a sheen that outdoor lacks. "The product desirability shifts dramatically," one former Humboldt grower told me with a fatalistic shrug. "People like it 'cause it's shiny."

As much as today's younger growers may admire the environmentalism of the first homesteaders, their primary concerns more often center on economic survival. When I was in Humboldt County, in the remote town of Alderpoint, I met a former small-time indoor grower named Obadiah Switzer, who belongs to an expanding sociological category in the Triangle: second-generation growers. The adult son of "truck gypsy hippies," he looked like a clean-cut fireman and talked like John Wayne. Whatever bohemian adventurism had inspired his parents seemed lost on him. "My whole life I've been here, and weed's always been gettin' grown," he said, letting out a short laugh. "There's no romance here for me." He might as well have been a longshoreman's son in Baltimore.

While many in his parents' generation were up in arms about the heresies of indoor pot, Switzer was focused on mobilizing the county to protect itself against the disruptions of legalization. He had recently become the Humboldt County representative of a group that was informally calling itself a union of marijuana growers. And the union was against Proposition 19.

To Switzer, the initiative to tax and regulate marijuana was just paving the way for far-off industrialists to corner the market. "It's about stealing the economy from the people it's been built by," he said. "What's gonna happen is there's gonna be a shitload of minimum-wage jobs out there. And all these people that have subsistence incomes or a little bit better in the cannabis economy, their work is gonna go away. And they're gonna be able to get a minimum-wage job."

The more he spoke, the more it seemed Switzer's new work as a union organizer was a last-ditch attempt at redeeming a home about which his feelings were deeply divided. As he saw it, his parents' generation had tended their homesteads beautifully, but the county had gone to seed. "After fifteen years, I go back into the local high school weight room, and the upholstery's the same and the walls haven't been painted and the roof leaks," he said. "Considering how much money's gone through here, this place should be the Emerald shining city. And it is far from it."

Essentially forbidden from turning a profit, large medical marijuana dispensaries are often left with piles of surplus "discretionary income," with which they have been able to purchase much goodwill.

Switzer wanted marijuana growers to finally organize to save their economy. What he seemed unsure about, though, was whether they deserved saving.

The sort of far-off industrialist that Switzer fears—the marijuana mogul who threatens to bring down the culture of the Emerald Triangle—is a semi-retired Bay Area businessman who wears golf shirts. Until a few years ago, Jeff Wilcox was one of the biggest property developers in Oakland. Today, he is the president of a company called AgraMed, and he is well on the way to converting one of his industrial real estate holdings into a marijuana factory. When I met him, Wilcox was sitting at a cafe outside the campaign headquarters of Proposition 19, having just attended the initiative's weekly steering committee meeting. From there, we

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hopped into his car, a silver BMW with black leather seats, to pay a visit to his would-be factory.

"So I asked my attorney," he said from behind the wheel. "'Can I grow legally out in the open?' and she said, 'Sure, but you need legislation.'" To get his venture off the ground, Wilcox began by approaching the most conservative member of the Oakland City Council—a longtime acquaintance—and introducing him to the idea of allowing industrial-scale marijuana production within city limits. Then he commissioned a report from a consulting firm playing out how much revenue for the city ($1.8 million), how much gross revenue ($59 million), and how much processed marijuana (21,000 pounds) his facility would generate every year, as well as how many jobs it would create (371) and what their average annual salary would be ($53,700). The report not only generated media buzz and helped sell the idea to local pols, it also revealed another opening for political traction. "The profit margin right now is extremely high," Wilcox said, "so we said, well, you can obviously make these union jobs. So I went out shopping for unions."

Today, in some towns, marijuana is the only major business. Everyone seems to have a story of some high school student who managed to earn $100,000 growing pot over summer vacation.

Once Wilcox secured the backing of a food and service workers union for his city legislative campaign, he approached Richard Lee, the leader of the Proposition 19 effort. "I walked in with a union representative and gave Richard a check for $10,000 and said, 'I want in on anything I can do,'" he said. "'I can help you pass this, because I'm connected.'" Wilcox's ordinance made its way through the city council, passing in July. Now he was just waiting to see if he would be awarded the permit, and the rest of the medical marijuana industry was waiting to see if he would get busted by the Feds. (Among the most anxious spectators were the denizens of the Emerald Triangle. This summer, an article in Humboldt County's *North Coast Journal* closed with the words, "Oakland is drinking our milkshake.")

Wilcox's would-be factory comprises a set of defunct brick warehouses laid out on seven acres alongside I-880 near the city's marina. "See, this is a good example," he said as we walked onto a 43,000-square-foot factory floor, daylight streaming in through a row of arched windows. "In Oakland, you've got all these buildings where you look and you say, 'This would be a great building to grow pot in.'"

Guiding me across the site, Wilcox conjured visions of workers in bunny suits tending a vast grid of marijuana plants underneath high-powered lights. "This is 10,000 feet," he said in one of the smaller rooms, his voice still echoing off the walls. "No one grows this kind of square footage."

Later, as we drove back across the Oakland lowlands on the interstate, Wilcox reflected on his progress. "Look at me. The only thing I was was a fan of the plant, really, a year and a half ago," he said. "And now I'm probably one of the top ten guys in California in this business. And you know why? Because I know how to move a little policy."

When I returned to the North Coast this summer, the mood was bleak. Last year's harvest had fetched some of the lowest prices since the 1970s, and fewer buyers were coming up from the cities. In Humboldt and Mendocino, locals had gathered in the spring at grim public meetings to discuss "life after legalization." The 2010 growing season was shaping up to be the most violent in recent memory, with five deadly shootouts between police and organized-crime growers on public land by August. And regardless of how the vote on Proposition 19 went, the coming year promised to be rough. Many pot growers had planted double or triple what they did last season, and the bumper crop seemed bound to depress prices even further.

For all that, the year had been relatively kind to Matthew Cohen and his farm-fresh pot delivery service. When I met him one morning in August, he was sitting poolside on his farm, with three telephones laid out on the patio table in front of him—each a different business line.

The idea of including fresh vegetables with the deliveries had, alas, turned out to be ahead of its time: patients accustomed to discretion in their transactions were flummoxed by the prospect of picking up baskets of weed and zucchini at public drop locations. So Cohen had discontinued that part of his service. But everything else was going smoothly. He was paying sales taxes and workman's comp for fifteen employees, and he had a fleet of four drivers who fanned out across the Bay Area in Zipcars. His advertising in the city had also been successful in overcoming "bag appeal" prejudices: 700 patients in the metro region were now receiving regular deliveries of his organically grown, high-grade, outdoor product.

Cohen had also lobbied successfully for a county ordinance that he helped to write. It created a system of county permits allowing medical marijuana cooperatives to grow ninety-nine marijuana plants on a farm, provided that they acquire a business license, abide by the county's safety, environmental, and labor standards, and—most bracing of all for Mendocino's growers—consent to spot inspections by the sheriff's department. Now Cohen's cooperative included two county-permitted ninety-nine-plant gardens.

Where things were going a little sideways, however, was in his broader mission to preserve the mom-and-pop growing culture of Mendocino County. For one thing, the county ordinance had unexpectedly turned out to include fine print requiring compliance with the Americans with Disabilities Act. That

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meant that trimming facilities—once glorified rumpus rooms with DVD players, chips and salsa, and turkey bags of marijuana everywhere—now needed wheelchair ramps, handicapped toilets, and accessible parking. To avoid setting local growers up for tens of thousands of dollars in renovations, Cohen hoped instead to establish a common processing facility—something akin to the cooperative slaughterhouses and community saw mills that help many rural Americans share costs. But Cohen winced to think that local growers might see it as one more Oakland-like consolidation.

One of the three phones rang. "This is Matt," Cohen said. "Yeah, I'm looking for some industrial warehouse space ... We're looking for a central processing facility for medical cannabis ... I'd say at least 5,000 square feet."

So far, though, growers weren't exactly rushing to join Cohen's cooperative. Only one had gone through the long process of securing a permit with him, and many of the others remained distrustful of the law. "I can't sit there and explain to them that the helicopters aren't going to land," Cohen said.

Unless more growers came aboard soon, Cohen would be unable to meet demand in the coming year. Now he was considering a fallback: simply leasing property on which to grow, bypassing the old homesteads altogether. The cooperative could set up a ninety-nine-plant garden on an empty piece of land, fence it in, put security cameras on the corners, hire a twenty-four-hour guard service and a farm manager, and harvest everything directly into a refrigerator truck. Everything would still be organic and sustainable, Matt told himself, and the cooperative would still be bolstering the marijuana economy in Mendocino County. But the dream of "small farms, strong communities, sustainable living" was being shaken by forces beyond his control.

Ultimately, what will happen to Mendocino or to Oakland is likely to be decided only minimally by "pure" market forces. Even more so than other industries, the marijuana business will be shaped by lawmakers—and to the connected shall go the spoils.

People in the emerging marijuana industry sometimes like to imagine a world in which cannabis is like beer: mass-produced options will sit on the shelf alongside boutique microbrews. But the analogy is not actually so sunny. In the American beer market, pale yellow lagers produced by a handful of powerful breweries ruled the industry for fifty years following prohibition—not because demand was unanimous, but in large part because laws banning home brewing kept tinkerers and innovators from entering the market until 1978. When it became legal to mix yeast and hops in your own kitchen, the craft brewing movement exploded. The damage, however, was already done. Today, for all their seeming influence, craft brews account for only 4 percent of American beer consumption. Two conglomerates—Anheuser-Busch InBev and South African Breweries—control more than 80 percent of the market.

In its relatively brief 100-year career as an American intoxicant, marijuana has been cast in an alarming number of roles: first as a scourge that drives users to murder and insanity; then as a narcotic that reduces them to passivity and indolence; later as a benevolent herb that can comfort the sick; and now—in the canny propaganda advancing Proposition 19—as a harmless but popular substance whose taxation could save California from fiscal ruin. Who knows what fantasies future Americans will project onto this unsuspecting plant?

If the American marijuana industry goes the way of beer or Big Tobacco, the answer to that question may one day be hashed out around boardroom tables, finessed by advertising departments, and subjected to focus groups. A marijuana lobby will set up on K Street, and catchy TV spots for "Marlboro Greens" (a figment of urban legend among marijuana growers for decades) will air between ads for Miller High Life and Doritos during the Super Bowl. And we won't have much choice in the matter. Historically, once the forces of consolidation have been set in motion within an industry—whether it's oil, agribusiness, tobacco, or booze—a self-reinforcing cycle of power has a way of stamping out alternatives and bucking attempts by lawmakers to bring it under control. Once there is a Philip Morris of marijuana, it is too late.

Mendocino County is as tortured by marijuana prohibition as it is dependent on it. But what agonizes the county even more is the thought that it could all be coming to an end.

But until federal law catches up to California's contrarianism, the future of pot is not such a foregone conclusion. "We've got forty-nine more states to go, or at least another dozen or two," says Richard Lee. "It could still be a lifetime until we have to worry about Philip Morris and Budweiser."

Mendocino County's second-largest product—wine—may provide the best alternative vision for dope. Thanks in part to a legal loophole that always allowed for home producers, wine has been much slower to consolidate than other industries, and no single winery has the political clout of an Anheuser-Busch. This has been better not only for small producers, but also—more importantly—for the public. So maybe we should all hope that Matthew Cohen is right: that Mendocino will become the Napa Valley of marijuana, and that the premium growers can charge for a sustainably grown, artisanal product backed by a helluva marketing narrative—America's last frontier! Land of the organic outlaw!—won't turn out to be too much lower, in the end, than the premium they charge now for growing a crop under conditions of abject fear. It's not such a bad dream, anyway. WM

John Gravois is an editor of the *Washington Monthly*.

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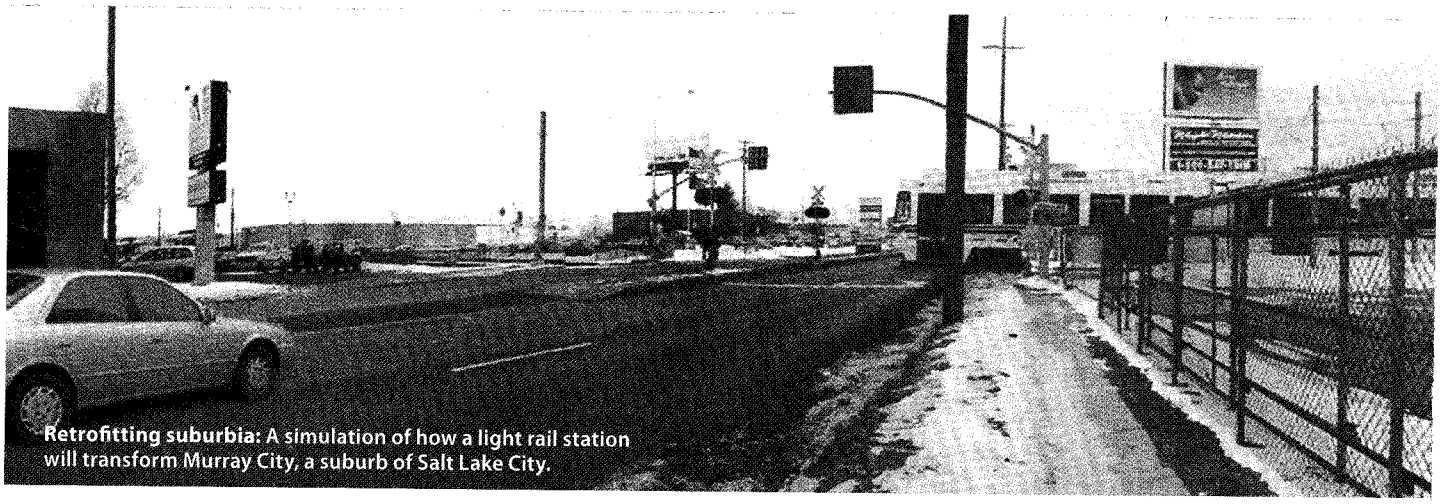

Retrofitting suburbia: A simulation of how a light rail station will transform Murray City, a suburb of Salt Lake City.

Calthorpe Associates and Urban Advantage

The Next Real Estate Boom

How housing (yes, housing) can turn the economy around.

By Patrick C. Doherty and Christopher B. Leinberger

What if there were a new economic engine for the United States that would put our people back to work without putting the government deeper in debt? What if that economic engine also improved our international competitiveness, reduced greenhouse gases, and made the American people healthier?

At a minimum, it would sound a lot better than any of the current offers on the table: stimulus from the liberals, austerity from the conservatives, and the president's less-than-convincing plan for a little stimulus, a little austerity, and a little bit of a clean-energy economy.

The potential for just such an economic renaissance is a lot more plausible than many would imagine. At the heart of this opportunity are the underappreciated implications of a massive demographic convergence. In short, the two largest demographic groups in the country, the baby boomers and their children—together comprising half the population—want homes and commercial space in neighborhoods that do not exist in anywhere near sufficient quantity. Fixing this market failure, unleashing this latent demand, and using it to put America back to work could be accomplished without resorting to debt-building stimulus or layoff-inducing austerity. At least for the moment, Washington has an opportunity to speed up private investment for public good and launch what could be a period of long-lasting prosperity. It is a market-driven way to make the economic recovery sustainable while addressing many of the most serious problems of our time: the health care crisis, climate change, over-reliance on oil from countries with terrorist ties, and an overextended military.

Real estate has caused two of the last three recessions, including the Great Recession we've just gone through. That is because real estate (housing, commercial, and industrial) and the infrastructure that supports real estate (transportation, sewer, electricity, and so on) represent 35 percent of the economy's asset base. When real estate crashes, the economy goes into a tailspin. To speed up the economic recovery now slowly underway, the real estate sector *must* get back into the game, just as it played a central role in the economic recoveries of past recessions. (Real estate also kept the high-tech recession in the early 2000s from being as serious as it might have been.) The United States will be condemned to high unemployment and sluggish growth if 35 percent of our asset base is not engaged. And hundreds of billions of dollars in potential investment capital is on the sidelines, waiting for the right market signals to be deployed.

We're unlikely, however, to see a real estate recovery based on a continuation of the type of development that has driven the industry for the past few generations: low-density, car-dependent suburbs growing out of cornfields at the edge of metropolitan areas. That's because there is now a massive oversupply of such suburban fringe development, brought on by decades of policy favoring it—including heavy government subsidies for extending roads, sewers, and utilities into undeveloped land. Houses on the exurban fringe of several large metro areas have typically lost more than twice as much value as metro areas as a whole since the

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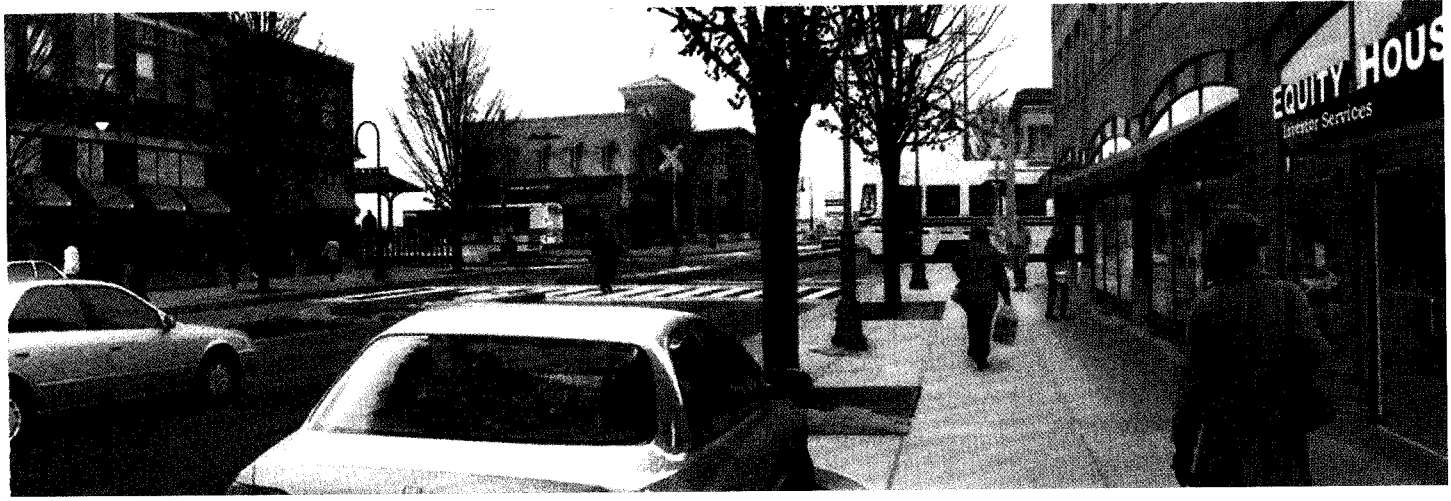

mid-decade peak. Many of those homes are now priced below the cost of the materials that went into building them, which means that their owners have no financial incentive to invest in their upkeep. Under such conditions, whole neighborhoods swiftly decline and turn into slums. This happened in many inner-city neighborhoods in the 1960s, and we're seeing evidence of it in many exurban neighborhoods today. The *Los Angeles Times* reports that in one gated community in Hemet, east of L.A., McMansions with granite countertops and vaulted ceilings are being rented to poor families on Section 8 vouchers; according to the *Washington Examiner*, similar homes in Germantown, Maryland, outside Washington, D.C., are being converted to boarding houses.

Many hope that when the economy recovers, demand will pick up, inventories of empty homes will be whittled down, and the traditional suburban development machine will lumber back to life. But don't bet on it. Demand for standard-issue suburban housing is going down, not up, a trend that was apparent even before the crash. In 2006, Arthur C. Nelson, now at the University of Utah, estimated in the *Journal of the American Planning Association* that there will be 22 million unwanted large-lot suburban homes by 2025.

Meanwhile, the Great Recession has highlighted a fundamental change in what consumers *do* want: homes in central cities and closer-in suburbs where one can walk to stores and mass transit. Such "walkable urban" real estate has experienced less than half the average decline in price from the housing peak. Ten years ago, the highest property values per square foot in the Washington, D.C., metro area were in car-dependent suburbs like Great Falls, Virginia. Today, walkable city neighborhoods like Dupont Circle command the highest per-square-foot prices, followed by dense suburban neighborhoods near subway stops in places like Bethesda, Maryland, and Arlington, Virginia. Similarly, in Denver, property values in the high-end car-dependent suburb of Highland Ranch are now lower than those in the redeveloped LoDo neighborhood near downtown. These trend lines have been evident in many cities for a number of years; at some point during the last decade, the lines crossed. The last time the lines crossed was in the 1960s—and they were heading the opposite direction.

There are some obvious reasons for the growing demand for walkable neighborhoods: ever-worsening traffic congestion, memories of the 2008 spike in gasoline prices, and the fact that many cities have become more attractive places to live thanks to falling crime rates and the replacement of heavy industries with cleaner, higher-end service and professional economies.

But the biggest factor, one that will quickly pick up speed in the next few years, is demographic. The baby boomers and their children, the millennial generation, are looking for places to live and work that reflect their current desires and life needs. Boomers are downsizing as their children leave home while the millennials, or generation Y, are setting out on their careers with far different housing needs and preferences. Both of these huge demographic groups want something that the U.S. housing market is not currently providing: small one- to three-bedroom homes in walkable, transit-oriented, economically dynamic, and job-rich neighborhoods.

The baby boom generation, defined as those born between 1946 and 1964, remains the largest demographic bloc in the United States. At approximately 77 million Americans, they are fully one-quarter of the population. With the leading edge of the boomers now approaching sixty-five years old, the group is finding that their suburban houses are too big. Their child-rearing days are ending, and all those empty rooms have to be heated, cooled, and cleaned, and the unused backyard maintained. Suburban houses can be socially isolating, especially as aging eyes and slower reflexes make driving everywhere less comfortable. Freedom for many in this generation means living in walkable, accessible communities with convenient transit linkages and good public services like libraries, cultural activities, and health care. Some boomers are drawn to cities. Others prefer to stay in the suburbs but want to trade in their large-lot single-family detached homes on cul-de-sacs for smaller-lot single-family homes, townhouses, and condos in or near burgeoning suburban town centers.

Generation Y has a different story. The second-largest generation in the country, born between 1977 and 1994 and numbering 76 million, millennials are leaving the nest. They may sometimes fall back into the nest, but eventually they find a place of their own for the first time. Following the lead of their older cousins, the much smaller generation X (those born between 1965 and 1976), a high proportion of millennials have a taste for vibrant, compact, and walkable communities full of economic, social, and recreational opportunities. Their aspirations have been informed by *Friends* and *Sex in the City*, shows set in walkable urban places, as opposed to their parents' mid-century imagery of *Leave It to Beaver* and *Brady Bunch*, set in the drivable suburbs. Not surprisingly, fully 77 percent of millennials plan to live in America's urban cores. The largest group of millennials began graduating from college in 2009, and if this group rents for the typical three years, from 2013 to 2018 there will be more aspiring first-time homebuy-

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ers in the American marketplace than ever before—and only half say they will be looking for drivable suburban homes. Reinforcing that trend, housing industry experts, like Todd Zimmerman of Zimmerman/Volk Associates, believe that this generation is more likely to plant roots in walkable urban areas and force local government to fix urban school districts rather than flee to the burbs for their schools.

The convergence of these two trends is the biggest demographic event since the baby boom itself. The first wave of boomers will be sixty-five in 2011. The largest number of millennials reaches age twenty-two in 2012. With the last of the boomers hitting sixty-five in 2029, this convergence is set to last decades. In addition to the generational convergence, the Census Bureau estimates that America is going to grow from 310 million people today to 440 million by 2050.

An epic amount of money will pour into the real estate market as a result of population growth and demographic confluence. To be sure, unemployment and stagnant wages have eroded people's buying power. Boomers have suffered steep declines in the value of their current homes and 401(k)s, and young people are leaving college with ever-larger student loan debts.

The two largest demographic groups in the country, the baby boomers and their children, want homes and commercial space in walkable neighborhoods that do not exist in anywhere near sufficient quantity.

But Americans of all ages have saved and paid off debts since the recession began, and average household balance sheets should be significantly healthier five years from now. In addition, 85 percent of the new households formed between now and 2025 will be single individuals or couples with no children at home; unburdened by child-rearing expenses, they will have more income available for housing (and less desire to spend it tending big backyards).

Most importantly, the very act of moving to more walkable neighborhoods will free families from the expense of buying, fueling, and maintaining the two or more cars they typically need to get around in auto-dependent suburbs. Households in drivable suburban neighborhoods devote on average 24 percent of their income to transportation; those in walkable neighborhoods spend about 12 percent. The difference is equal to half of what a typical household spends on health care—nationally, that amounts to $700 billion a year in total, according to Scott Bernstein of the Center for Neighborhood Technology. Put another way, dropping one car out of the typical household budget can allow that family to afford a $100,000 larger mortgage.

The burgeoning demand for homes in walkable communities has the potential to reshape the American landscape and rejuvenate its economy as profoundly as the wave of suburbanization after World War II did. If anything, today's opportunity is larger. The returning veterans and their spouses represented approximately 20 percent of the American population at that time; the current demographic convergence—77 million boomers plus 76 million millennials—comprises nearly 50 percent.

In the postwar years, America pushed its built environment outward, beyond the central cities, creating millions of new construction jobs and new markets for cars and appliances—a virtuous cycle of commerce that helped power American prosperity for decades (until, of course, it went too far, leading to the oversupply of exurban development that is acting as deadweight on the current recovery). The coming demographic convergence will push construction inward, accelerating the rehabilitation of cities and forcing existing car-dependent suburbs to develop more compact, walkable, and transit-friendly neighborhoods if they want to keep property values up and attract tomorrow's homebuyers. All this rebuilding could spur millions of new construction jobs. But more importantly, if done right, with "smart growth" zoning codes that reward energy efficiency, it would create new markets for power-conserving materials and appliances, providing American designers and manufacturers with experience producing the kinds of green products world markets will increasingly want.

In addition to fueling long-term economic growth, the new demand for walkable neighborhoods could provide other benefits. One of the biggest drivers of rising health care costs is the expansion of chronic diseases like obesity, diabetes, and heart disease—conditions exacerbated by the sedentary lifestyles of our car-dependent age. All would be substantially reduced if Americans move into higher-density, transit-friendly neighborhoods in which more walking is built into their daily routine.

The potential environmental benefits are equally profound. A study conducted by the National Resources Defense Council concluded that simply conforming new construction to smart growth standards would reduce carbon emissions 10 percent within ten years, more than half the target set by the president and the stalled climate legislation. Similarly, the U.S. Green Building Council estimates that new sustainable developments could reduce water consumption by 40 percent, energy use by up to 50 percent, and solid waste by 70 percent.

We can reap these economic, health, and environmental benefits if the real estate market is allowed to follow the demand preferences of consumers. But that's easier said than done. Markets don't exist in a vacuum. They operate within rules and incentives set by governments. The rules and incentives that guide today's real estate market were designed, for the most part, more than a half century ago to fit the demands of the postwar-era Americans who were looking for new homes with yards outside overcrowded cities in which to raise their families. For many years the

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government-insured mortgages provided to millions of GIs were regulated in such a way that they could only be used to buy newly constructed homes, not to purchase or rehab existing homes—an incentive that strongly biased growth away from cities and toward the suburbs. Cheap rural land outside cities became accessible and valuable to developers thanks to the building of the interstate highway system, 90 percent funded by the federal government. Using federal matching grants, suburban municipalities extended water, sewer, and electric lines to new subdivisions, charging developers and homeowners a fraction of the real costs of those extensions. Municipalities also crafted zoning codes, often in response to federal regulations that essentially mandated low-density development.

Today, even though consumer preferences have changed, most of the old rules and subsidies remain in place. For instance, federal transportation funding formulas, combined with the old-school thinking of many state departments of transportation, continue to favor the building of new roads and widening of highways—infrastructure that supports low-density, car-dependent development—over public transit systems that are the foundation for most compact, walkable neighborhoods. When developers do propose to build denser projects, with narrower streets and apartments above retail space, they often run up against zoning codes that make such building illegal. Consequently, few compact, walkable neighborhoods have been built relative to demand, and real estate prices in them have often been bid up to astronomical heights. This gives the impression that such neighborhoods are only popular with the affluent, when in fact millions of middle-class Americans would likely jump at the opportunity to live in them.

To meet this broad new demand, however, requires that entire metropolitan regions work together to chart a common vision for their communities. When that happens, all kinds of Americans, and not just coastal elites, choose walkable, transit-based growth.

Consider the recent experience of Utah, a state that voted 63 percent for John McCain and Sarah Palin. In 1997, in anticipation of the 2002 Winter Olympics in Salt Lake City, a coalition of local CEOs, elected leaders, developers, farmers' associations, conservation advocates, and urban planners put together a process of public meetings to get citizens involved in developing a strategy to accommodate greater Salt Lake City's fast-paced growth in a fiscally and environmentally sustainable way. That process, dubbed "Envision Utah," led to a blueprint for development in the four-county region. The plan largely rejects further suburban sprawl in favor of a "quality growth strategy" of dense walkable neighborhoods built around transit stops.

The first step was the building of a seventeen-mile, twenty-three-station light rail line in Salt Lake City called TRAX. The line was highly controversial; many predicted it would be an underutilized boondoggle. But when the first phase opened in 1999, TRAX proved an immediate hit with the public—eventually some trains became so crowded with riders that their doors couldn't close. In 2000 and 2006, voters approved tax increases to expand the system, including increased reach to several outlying suburbs, twenty-six miles of new light rail track, forty additional station stops, and eighty-eight miles of heavier commuter rail, reaching as far as Provo. Meanwhile, mixed residential-commercial developments have been constructed around existing stations in places like the formerly industrial suburb of Murray City.

Locally financed transit expansions are also underway in such wide-ranging places as St. Louis, Denver, Los Angeles, Montgomery, Alabama, and Broward County, Florida. From 2004 to 2009, 67 percent of light rail ballot measures passed. In 2008, the election year defined by the financial crisis, 87 percent of transit measures passed. In Seattle, a 2008 measure saw sponsors actually eliminate road funding so that the thirty-four-mile extension of the light rail system would pass.

The public, then, has made its desire for transit-oriented growth quite clear, and governments at the local and metropolitan levels have begun to respond. At the federal level, however, the policy machinery remains on autopilot, supporting a sprawl-based growth model that is beyond broken. What we need to do should be obvious: replace old federal rules and incentives that hamper the market's ability to meet changing needs and preferences for housing with new ones that don't, thus helping to rejuvenate the American economy. But these new policies will have to be produced in a political environment that, unlike in the postwar years, is hostile to government actions that add considerably to the federal deficit. And they need to be written quickly: the peak of the convergence is only three years away, and the economy needs a sustainable base from which to grow more quickly now.

In one gated community east of L.A., McMansions with granite countertops and vaulted ceilings are being rented to poor families on Section 8 vouchers. Similar homes outside Washington, D.C., are being converted to boarding houses.

Throughout human history, transportation has determined the pattern of real estate development, and so the place to begin is federal transportation policy. Fortunately, next year Congress will probably reauthorize the giant transportation law that determines most federal infrastructure spending—which, tellingly enough, is still commonly referred to in Washington as "the highway bill." This will provide a golden opportunity to change federal policy in several fundamental ways. First, the biases in federal matching grants that favor roads and highways

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over every other type of infrastructure (sidewalks, bike paths, mass transit, and so on) must end. Second, the grants should be "scored" based on their economic, environmental, and social equity impacts—in particular, on the degree to which proposed transportation projects minimize travel times and distances for residents and enable compact, walkable, energy-efficient, and affordable development. Third, metro areas should be required, and given funding, to do what greater Salt Lake City did: create a blueprint for future growth. Those blueprints should then help guide which specific infrastructure projects get federal funding. In effect, this will shift the power to shape growth patterns away from congressional appropriators and state departments of transportation and to local citizens and local elected officials. And it will help ensure that actual consumer demand drives the process, rather than the current combination of antiquated federal funding formulas, congressional earmarks, and offstage machinations of conventional developers.

Many liberals might want Washington to cover most of the costs of this new infrastructure. That's unlikely to happen in the current political and fiscal environment. Nor, frankly, is it necessary, or even healthy. Instead, scarce federal dollars should be used to attract private dollars, of which there are plenty. The Investment Company Institute reports that institutional investors are keeping a relatively stable $1.8 trillion in money market funds because money managers see no good long-term investment vehicles. A similar amount is sitting in the coffers of nonfinancial corporations.

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The Obama administration has proposed one way to tap some of these private dollars: create an "infrastructure bank" that would leverage several private dollars for every federal dollar invested to build a project. In return, the bank and private investors would receive, say, a dedicated locally raised future tax revenue source.

Another approach would be to revive a practice from the past. A hundred years ago, virtually every city of 5,000 or more had an extensive network of streetcars. These systems were typically not publicly owned. Instead, real estate developers, often in partnership with electric utilities, built and ran them, even paying municipal governments to rent the right-of-way. The developers made their money not from fares, which barely covered operations, but from the increased land values that the trolley extensions made possible. There's no reason why similar deals can't be negotiated today to fund various kinds of mass transit. In fact, the process has already begun in a few places. Developers are helping to pay for the extension of the Washington, D.C., metro rail to Dulles airport, while Microsoft cofounder Paul Allen's real estate company and other property owners participated in the funding of the streetcar to his substantial property holdings just north of downtown Seattle. The federal government can help make such arrangements much more common by offering partial guarantees of the debt floated to build transit infrastructure.

Another way Washington can encourage walkable neighborhoods is through reforms of Fannie Mae and Freddie Mac. These two government-sponsored mortgage guarantors and underwriters went bankrupt and were taken over by the U.S. government—in large part because they overinvested in homes on the suburban fringe. But in recent years Fannie Mae has been experimenting with an interesting new product: "location efficient mortgages." Instead of relying solely on credit score and income to determine whether a borrower qualifies for a mortgage, these loans use electronic map systems to take into account how much homeowners will have to pay for transportation. Research by Scott Bernstein of the Center for Neighborhood Technology suggests that location efficient mortgages may have lower default rates than conventional Fannie Mae loans. If that finding proves true, then it makes sense to expand the program, and to apply the same concept to household energy savings: Fannie, Freddie, and HUD's Federal Housing Administration should factor in the savings from more energy-efficient homes and retrofits. And all these products should be available for more types of construction than just the single-family detached house.

In the past, big shifts in real estate patterns, from suburbanization to gentrification, have often made the lives of the poor considerably worse. To make sure that doesn't happen as we move toward more walkable communities, federal action will also be needed. The Obama administration took a first step earlier this year by announcing that location efficiency will be a criterion for $3.25 billion in competitive HUD housing grants. That means that at least some walkable developments will be built to include housing for lower-income families, and more can be done along these lines using existing federal housing programs such as the Low-Income Housing Tax Credit.

But the truth is that federal housing policy can make only a modest dent in the affordability problem. As we've seen, what really drives development is transportation policy, and so the real lever of change is, again, the upcoming transportation bill. The bill should offer state and local governments a clear choice: if they want federal dollars for light rail and other transit systems, they must ensure that citizens at all income levels reap the benefits. That means changing local zoning codes to mandate that a portion of the housing in transit-oriented developments—say, 15 percent—be reserved for lower-income families. It also means that local jurisdictions need to remove ordinances that act as barriers to affordable housing—an idea long championed by many

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conservatives, including the late Jack Kemp. For instance, empty nesters ought to have the right to rent out unused bedrooms or turn part of their homes into separate rental units. Doing so is illegal in most municipalities today.

Ultimately, the biggest barrier to affordability is insufficient supply: homes in walkable, transit-oriented neighborhoods cost too much because there are not enough of them to satisfy the growing market demand. What's needed, then, is a supply-side solution: build more such neighborhoods.

Can a set of policies like these ever get through Congress? After all, Republicans have long been ideologically hostile to mass transit. With their base now predominantly in exurban and rural America, most GOP lawmakers will look with skepticism, even disdain, at proposals to use government in ways that benefit cities and closer-in suburbs that tend to elect Democrats. And many Americans who live in rural or exurban areas feel the scorn that too many educated urbanites express for their lifestyle, and reflect that scorn right back.

Yet, as Utah shows, conservative Americans can rally behind mass transit when all the advantages are pointed out and the hidden costs of sprawl made clear. The threats to family life posed by long commutes and auto dependency are a building issue among evangelical Christians. Conservatives are often among the most acute critics of federal highway subsidies and the way they insulate consumers from the real cost of driving. The late Paul Weyrich, cofounder of the Heritage Foundation, served on Amtrak's board and was an outspoken champion of passenger rail. As William Lind recently argued in the *American Conservative* magazine, it was hardly a triumph of free enterprise that America's convenient and affordable streetcar and passenger rail systems, most of them privately owned, were put out of business by government-subsidized and -owned highways.

In the wake of the Great Recession there is also another huge pocketbook force at work: however they might lean ideologically, the best hope suburbanites have for reversing their depressed home values is for mass transit lines to be extended in their communities. Though not every suburb can be saved in this way, for many it represents the most practical long-term solution to their dilemma.

Ultimately, the strongest argument for these policies—one conservatives and liberals ought to be able to agree on—is that they would allow the moribund real estate market to function again, and in so doing would give the economy a dose of healthy growth. Indeed, assuming that a decisive package like the one above is passed, the private sector, awash in capital, may anticipate the demand about to be unleashed in our markets and start investing in real estate again. That is what happened in downtown Portland, Oregon, when a proposed $50 million streetcar led to $3.5 billion of private-sector development, much of it *before* the streetcar was built. America will be back in business. And good business is good politics.

But leading the transition to sustainability is also a strategic imperative for the United States. China and India need to figure out how to accommodate 700 million of their countrymen who will leave the villages and enter the cities over the next forty years. That's more than twice the total American population. China is already building at a pace that will allow it to have 221 cities with more than 1 million residents—the U.S. has nine. The competition for energy and raw materials like copper, lumber, and steel under a business-as-usual scenario is extraordinary and will result only in increased levels of strategic conflict in the decades ahead, as recent congressional hearings on "strategic minerals" attests. By making a decisive shift and embracing sustainable communities, innovative American firms will have the domestic markets they need to develop and deliver the super-efficient products and services that will keep America secure and, through increased exports, help build our economy while reducing our trade imbalance.

Admittedly, the road to sustainability only begins with how we build and rebuild our communities. In addition to the ideas discussed here, there is much more we need to do to address the energy and material intensity of our economy in ways that will lead to better jobs, higher wages, reduced deficits, and greater national security. But at a time when the American people need a plan for long-term prosperity, and because real estate absorbs so much of our wealth, it is essential that we focus on pushing on the door unlocked by our demographic inheritance: the two largest population groups, half of our population, want communities that the market is not delivering due to out-of-date subsidies and policies.

It was hardly a triumph of free enterprise that America's convenient and affordable streetcar and passenger rail systems, most of them privately owned, were put out of business by government-subsidized and -owned highways.

The bottom line is this: despite the protests of orthodox adherents to liberal and conservative fiscal policy, it is now possible to unleash latent private-sector demand by implementing reforms that will end our subsidies to sprawl and focus our nation on sustainability. Neither stimulus nor austerity, this approach would provide a new economic engine for America that can set us on a secure and prosperous path for years to come. WM

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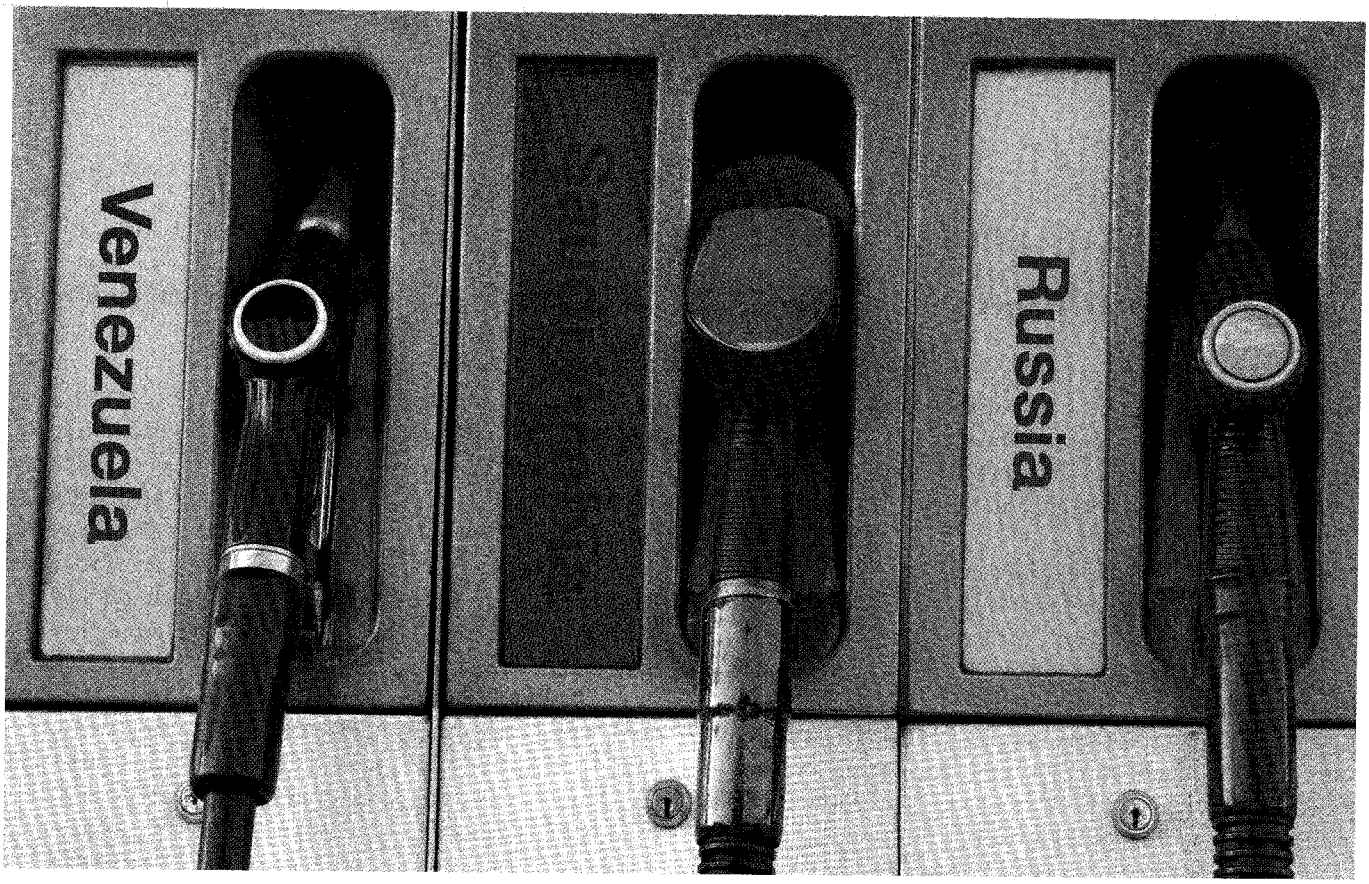

Bringing It All Back Home

Want to really fix the economy? Stop spending $300 billion a year on foreign oil, and invest it instead in ethanol and other homegrown fuels.

By Wesley K. Clark

America has a dirty secret, and a mortally dangerous problem. You will occasionally see it mentioned in the press, but almost no politician will give it more than a passing reference. Many despair of finding a solution; others fear offending powerful constituencies. Scholars now consider it so banal that they seldom study it. Most businessmen accept it as a sad, sorry fact of life, though it makes some of them very rich.

It's an $821-million-a-day addiction to foreign oil. That's $300 billion a year, or about $1,000 for every American—man, woman, and child. In June we sent $27 billion abroad; in July it was over $29 billion.

Our dependency on foreign oil costs more than the wars in Iraq *and* Afghanistan. It's about 60 percent of the total U.S. trade deficit. If we weren't sending the money away, it would be enough to repair America's woeful infrastructure in a few years. Enough to send every child in America to college, and fix public education to boot. At a time when we've lost 8 million jobs, it would be enough to hire 3 million Americans at $100,000 per year, or almost 8 million at about $40,000 per year.

If a foreign country came here and said, "Pay us this tax," we would consider it an act of war. Yet when a political party discusses trying to recapture $300 billion a year in taxes, it's political suicide. Americans pay billions of dollars per month to foreign countries—some of them incubators of terrorism, nearly all of them unstable dictatorships—and it isn't even a campaign issue.

But this tragic situation also presents us with the greatest opportunity in a decade to recharge America's economy and build

Vincenzo Lombardo

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a platform for renewed economic growth. I want to tell you how it can be done. And without a tax on gasoline or carbon.

I'm in the energy business. When I left the Democratic presidential race in 2004, I returned to investment banking and consulting. The opportunities were in energy and commodities. Climate change was emerging as yet another energy-related threat to our national security, and as a national security specialist I thought I could add value in this area. Over the last few years I have served on the boards (or sometimes the advisory boards) of an oil refinery, an oil exploration and production company, a shale gas company, an electric cable producer, a wind turbine manufacturer, an electric car company, two wind development companies, a solar energy developer, an ethanol producer, a biodiesel producer, and an ethanol advocacy group. Along the way, I have spoken at wind and solar conventions, biofuel meetings, and electric and hybrid automobile groups. My knowledge of the energy sector has also come from consulting with governments and foundations, and studying policy papers. But, fundamentally, I'm in business, and I'm focused on energy because it's the key to saving our economy from decline and creating the jobs America needs.

First, an analysis of the problem. The United States today is consuming almost three times as much crude oil as it produces. Fully 71 percent goes for transportation. During the second quarter of 2010 America consumed 9.2 million barrels per day of gasoline, plus 5.1 million barrels for other transportation, such as jet fuel and diesel for trucks and locomotives. Ninety-four percent of the energy used in transportation is derived from petroleum, according to the Energy Information Agency. So energy independence is largely about transportation—not about insulating our houses, turning down thermostats, or swapping out light bulbs.

We do have opportunities to produce more oil domestically. One big new example is the Bakken Shale formation in North Dakota and Montana, which could be producing almost a million barrels per day. More offshore drilling might bring in another million barrels a day (we are currently bringing in about 1.6 million barrels per day from the Gulf of Mexico). According to Department of Energy estimates, opening up the Outer Continental Shelf and the Arctic would yield perhaps another 2.3 million barrels per day by 2030. But it will take several years to bring on these additional sources, and even then they won't be sustainable; oil well production depletes at an average of about 2 percent a year. Even under best-case assumptions, we can't drill our way out of the problem. (And many of us wouldn't want to anyway, due to environmental concerns.)

A second approach is conservation. We could, for example, drive less. We know how to do this. In 2008, for the first time since we've kept track of the statistic, Americans drove their cars and trucks less than the year before. Thanks to $4 gas and spreading unemployment, total vehicle miles traveled declined by 58.9 billion. But to keep that in perspective, Americans still drove nearly 3 *trillion* miles in 2008, and we are driving still more today.

Moreover, improving the fuel efficiency of vehicles does not necessarily help reduce total gas consumption. Getting more miles per gallon reduces the cost of driving, which causes at least some people to drive more. In the early 2000s, newly available hybrid technology helped boost SUV sales, thereby increasing total gasoline consumption.

To be sure, there is much we can and should do to promote true conservation. As this magazine has reported, just diverting more long-haul freight from trucks to electrified railroads has the potential to cut the nation's oil consumption by as much 15 percent. (See "Back on Tracks," January/February 2009.) If only 30 percent of the freight that currently goes by truck went by barge instead, it would result in a reduction in diesel fuel consumption of roughly 4.7 billion gallons. ("The Shipping News," July/August 2010.) In the current issue, Patrick Doherty and Christopher Leinberger explore the vast strides toward energy independence that could be achieved through mass transit and more "walkable" communities.

But let's not pretend that conservation alone will get us to where we need to be. There is only so much rural Americans and most suburbanites can do to avoid driving—and that will be true for a long, long time. Yes, more freight could go by rail and barges, but store shelves would be empty in a few days without trucks making local deliveries.

Our dependency on foreign oil costs more than the wars in Iraq and *Afghanistan. If a foreign country came here and said, "Pay us this tax," we would consider it an act of war.*

Recognizing these realities, many people are excited about the promise of electric vehicles. We could use wind or solar power to produce the electricity they need, and at a stroke be done with imported gasoline while also reducing greenhouse gas emissions. It's a compelling vision, and in the long run an achievable one. But getting there is easier said than done. Currently, electric cars are too rare to have an impact and too expensive for most Americans to afford. The price will no doubt come down, but the cars under development still don't have enough range to satisfy many consumers.

To generate all the electricity we'd need, we'd also have to burn a lot more coal, because there is no way we can get that much juice from windmills and solar panels right away, or even soon. Even if we could, our already overstrained electrical grid will lack the capacity to handle the load until we make massive investments in the infrastructure.

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Then there is the question of who makes all the batteries we'll need. It might well not be us. China, for example, has a major industrial effort dedicated to producing lithium batteries, while also controlling about a quarter of the world's production of the raw material used to make them, lithium carbonate. Unless major progress is made, shifting to electric vehicles will further erode the U.S. balance of payments and could leave us highly vulnerable to foreign sources of raw material other than oil.

The Obama administration is well aware of the challenges and is making an extraordinary effort to develop U.S.-supplied advanced batteries. But the adoption of electric cars is still likely to be slow due to lags in technology development, production scale-up, infrastructure build-out, and consumer preferences. Most studies show that twenty years from now, 200 million liquid-fuel cars will still be on the road. That means we are still talking about a tax, or tribute, of as much as *$9 trillion* sent abroad to pay for oil over the next twenty years—unless we get moving toward energy independence on other fronts.

If we cannot depend on electric cars to get us off foreign oil anytime soon, what about natural gas? There is a lot to be excited about here. One of the great, largely unheralded technical innovations of the late twentieth century has been the advent of precision horizontal drilling and a process known as hydraulic fracturing (injecting liquid into hydrocarbon-bearing shale rock). Together, these techniques have opened up huge reserves of natural gas that were previously too expensive and difficult to tap. In just the last five years, U.S. natural gas reserves have increased by almost 25 percent.

But as welcome as this news is, natural gas hardly provides us with a panacea. Thanks to the efforts of Mr. T. Boone Pickens, a great deal of study has gone into the prospect of using natural gas to fuel vehicles. But natural gas, whether in compressed or liquid form, is less energy intensive than gasoline or diesel fuel, meaning you need a bigger tank to go the same distance, which isn't always practical. Or you need lots and lots of natural gas fueling stations, and at the moment we have practically none. Because such stations are quite expensive to build, the only real practical application of natural gas in transportation is to power vehicles that return daily to centralized fueling stations, such as local buses and trucks that always follow the same route.

This means that the promise of natural gas is real, but limited. A recent study by the Center for American Progress shows that with the right program of incentives and government support over a period of twenty-five years, compressed and liquefied natural gas could replace perhaps 1.2 million out of the 10 million barrels of oil we are currently importing per day.

So, then, what about coal? The United States has abundant coal resources, and various coal-to-liquid technologies are now available. Older technologies, like the Fischer-Tropsch processes, have been used in South Africa for decades to produce oil from coal. Fischer-Tropsch can also be combined with deep underground coal gasification to produce distillates such as diesel and jet fuel. At current prices, Fischer-Tropsch is quite competitive with imported oil, but has been plagued by environmental considerations and very high start-up capital costs. New technologies on the horizon, however, like coal refining and 3D seismic and precision horizontal drilling, could offer us the distillates we need to run our transportation system for as little as a third to half the cost of imported oil.

Large amounts of capital are needed to make this possible. At a nominal cost of $35,000 to $50,000 per barrel of daily production, creating a million barrels a day of coal-originated liquid fuel in the United States might require investments of $35 to $50 billion. But that's not so much compared to the $25 billion we paid just in the month of July for imported oil. To completely replace all imported petroleum might require between $400 and $700 billion, over a decade or more. These costs would be borne by private capital, of course, not taxpayer funds, and these would be highly profitable investments, assuming oil prices remain in the range of $75 a barrel. Start-up of these processes has already begun, with a 35,000-barrel-per-day production facility using the Fischer-Tropsch process to convert Wyoming coal to diesel now planned, permitted, and ready for funding. But the scale to really impact our energy needs is missing. We require the right market conditions to bring these technologies here—regulatory and environmental approvals, some infrastructure construction (also privately funded), and appropriate support from the large energy companies that dominate the American economic landscape. It could happen, at least in part, if oil prices remain in the current range.

To be sure, many people have serious environmental reservations about hydraulic fracturing, coal refining, and the other technologies discussed above. Many of these concerns, in my view, are exaggerated or can be addressed through regulation and improved technology. But regardless of how the details work out, there are two overarching points that need to be kept in mind in thinking about the tension that sometimes exists between energy independence and environmental concerns.

First, so long as we are sending $300 billion a year abroad to pay for foreign oil, our economy will be increasingly starved for the financial resources it needs to invest in the transition to a truly green economy, from building high-speed rail lines to constructing a smart grid powered by wind and sun. Yes, producing our own energy hardly means that energy will be free, but the money we spend on domestic energy multiplies through many other domestic sectors and becomes part of our jobs and tax base, rather than, at best, going to other nations' economic development, or, at worst, contributing to corruption, waste, and terrorism.

Second, we need to remember just how dirty current oil production is and will become on our current course. Because we import so much oil from faraway places we tend not to be aware of the day-to-day damage that oil exploration and production causes even without any catastrophic spills. In the Niger Delta, soot from oil flares and leaks from pipelines poison fields and fisheries, devastating indigenous people and creating the conditions for what may yet become one of the world's bloodiest civil wars. The longer we continue our gluttonous consumption of foreign oil, the more oil production will extend to environmentally sensitive areas where more often than not it will be subject to

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very little environmental regulation and cause intense social conflict. And so we have to ask ourselves, "Compared to what?" when confronted with the real but manageable environmental challenges posed by energy independence. It's all one planet, after all.

Now we come to perhaps the most rapid and cost-effective contribution to solving the problem of American oil imports: biofuels, and specifically, ethanol. Ethanol, essentially alcohol, is produced from the fermentation of sugars. It burns much more cleanly than gasoline, and has a higher octane. Although a gallon of ethanol has only about two-thirds the energy of a gallon of gasoline, its higher octane enables engines to run more efficiently when used in pure form or as a fuel additive. Performance varies depending on the make of the car and the ratio of gas to ethanol, but according to *Motor Trend*, for example, the 2011 Buick Regal Turbo running on a mixture of 85 percent ethanol will get only 4 percent fewer miles per gallon than when running on pure gasoline. With some stability in policy, manufacturers could design engines for higher ethanol blends, producing savings in weight and improved performance over gasoline engines.

More than thirty years ago, Brazil decided to require that all automobiles sold in that country be able to run on ethanol, which it today produces in large quantities from sugarcane. Brazil also invested heavily in the development of its domestic infrastructure to deliver ethanol, such as cheap credit for the construction and operation of sugarcane ethanol mills and financial backing for installation of ethanol fueling pumps and delivery and storage terminals. There is also a domestic mandate that all fuel in Brazil must contain at least 20 to 25 percent ethanol. This effort has been enormously successful, enabling the Brazilian economy to retain tens of billions of dollars that would otherwise have gone to pay for imported fuel. Today, almost all the vehicles in Brazil are flex-fuel, allowing Brazilians to use even 100 percent ethanol in their tanks without engine problems.

In the U.S., most ethanol comes from corn, which is our most abundant and affordable feedstock. It requires a different process than sugarcane to turn into ethanol, but it also has an important by-product in livestock feed called dried distillers grains. Since the 1970s, American ethanol producers have been using enzymes to convert the starch in corn into sugar, and then using yeast to ferment the sugar into alcohol.

The big break for America's ethanol industry came in the 1990s when the gasoline additive MTBE, a derivative of fossil fuel whose use had been mandated by some states to reduce smog, was discovered to be contaminating drinking-water supplies. A consensus formed that ethanol, which promotes cleaner combustion of gasoline, was a better alternative. Tax policy supported the emerging ethanol industry with a "blender's tax credit," which provided an incentive for oil companies to use a competitor's product, and a complementary tariff on imported ethanol prevented foreign producers from benefiting from these U.S.-taxpayer-funded incentives.

As an industry in its infancy, without access to market or the ensuing capital to drive technological development, early ethanol production was predictably inefficient. In addition to using far more energy than is required today, more water and enzymes were also needed. And energy was needed to till, plant, and harvest the corn, dry it, and transport it to the ethanol plant.

Nonetheless, as oil prices shot up in the mid-2000s from $40 per barrel to over $75 per barrel, ethanol production exploded. It was good business. In 2000, only 1 percent of the gasoline sold in the U.S. contained ethanol. By 2006, that number had jumped to 4 percent and by 2009 to 8 percent. Today, domestically produced ethanol allows the American economy to retain some $26 billion a year that would otherwise go to the purchase of imported oil.

Along the way, the U.S. ethanol industry has become much more efficient. Some plants now use the methane from local landfills or waste wood chips to generate heat; in most others, abundant and relatively clean natural gas has replaced coal as a heat source in the fermentation and drying processes. Bioscience has brought us improved enzymes and yeasts. One study showed that between 2001 and 2006, the average ethanol plant used 25 percent less water and 20 percent less energy, and produced 6 percent more ethanol per bushel of corn. According to a study released in June by the USDA's Office of Energy Policy, a gallon of ethanol produced in modern plants contains about 2.3 times the energy needed to produce it, including the energy required for planting, cultivating, fertilizing, and harvesting corn. That ratio could go as high as 26, the USDA found, if corncobs and other currently discarded parts of corn plants were burned to produce the heat needed for producing ethanol.

The longer we continue our gluttonous consumption of foreign oil, the more oil production will extend to environmentally sensitive areas like the Niger Delta where it will be subject to very little environmental regulation and cause intense social conflict.

Ethanol also puts much less carbon into the air than oil or natural gas. Again, this is true even if we include all the carbon emissions caused by growing corn. Modern ethanol is about 60 percent less carbon intensive than gasoline, and about 35 percent less intensive than natural gas, measured on a life-cycle basis that includes the effects of planting, cultivating, fertilizing, harvesting, drying, storing, transporting, and converting the corn into ethanol.

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Some academics and policy analysts have attempted to show that when an acre of land is used for ethanol rather than food, another acre of uncultivated land somewhere in the world will be converted to food production, and that when this "indirect land use" effect is taken into account, corn ethanol produces more CO_2 than gasoline. Such arguments have turned many environmentalists against ethanol. But the EPA determined earlier this year that even when indirect land use effects are taken into account, corn ethanol still emits 20 percent less greenhouse gases than gasoline. Moreover, the indirect land use change model has simply failed to account for the many varied causal factors contributing to land use abroad. While ethanol production soared in the U.S., for example, Brazilian deforestation decreased, contrary to what the model would have predicted.

Moreover, while we can't eat the corn we use to make ethanol, we can and do use a major by-product of ethanol production, distillers grain, to feed to animals who are part of our food chain. Over 90 percent of the food value of the corn—its oils, proteins, and fiber—is used for livestock and poultry production after the starch is removed for ethanol. Distillers grain is also now a significant U.S. export. Many people worry nonetheless that increased ethanol production will cause spikes in food prices or cut into America's food exports. Yet these concerns fail to take into account the likelihood that corn yields per acre will advance robustly in the future, as major biotech firms such as DuPont and Monsanto promise will happen through the application of rapidly advancing bioscience. But even if corn yields don't increase as expected, there is still a strong case for ethanol.

Money we spend on domestic energy becomes part of our jobs and tax base, rather than going, at best, to other nations' economic development, or, at worst, contributing to corruption, waste, and terrorism.

That's because years of research have put us on the brink of being able to produce ethanol and other biofuels out of everything from corncobs and corn stover to pulp, trees, other agricultural by-products, and municipal solid wastes. In each case organic material is converted to alcohol, either through fermentation or other processes. These potential feedstocks are virtually unlimited; according to several new business ventures, ethanol from municipal wastes can be converted to ethanol for less than a dollar per gallon when municipal tipping fees are included. There is enough waste cellulose and other organic material, in combination with corn, to produce 80 to 100 billion gallons of ethanol per year—effectively replacing all requirements for imported gasoline.

But ethanol production today is effectively capped by regulatory fiat. The Environmental Protection Agency limits the amount of ethanol in gasoline to no more than 10 percent (the so-called "blend wall"), except in the cases of specially modified flex-fuel vehicles. Capped out by regulation and by lack of suitable blender pump infrastructure, the ethanol industry has held roughly steady over the past two years while appealing for relief from the blend wall. Evidence collected by the auto industry itself shows that most cars produced over the past twenty years run just about as effectively on a 15 or 20 percent blend of ethanol as they do on the 10 percent blend.

In March of 2009, ethanol industry representatives formally petitioned under the Clean Air Act for a change in regulations that would allow refiners to add up to 15 percent ethanol into gasoline—or E15, in the jargon of the debate. Such a change in regulation requires that government testing be done to assure no degradation of air quality in the automobile emissions with the new blend. What has followed, though, has been a prolonged battle with the ethanol opponents. Small-engine and marine-engine owners have petitioned and taken out newspaper ads. Environmentalists who are misinformed or misled on the benefits of grain ethanol are largely opposed. Some automakers have taken positions against it, even though Ford, General Motors, and other major automakers have little trouble producing cars for the Brazilian market that run on 100 percent ethanol. But now, eighteen months later, and despite emotionally charged opposition, the first results of government testing have been announced, and as of this writing the EPA is expected to approve E15 for use in cars produced after 2007.

Some voices in the environmental and nutrition movements have directed another set of arguments against both the industry and agriculture itself. Worried about fertilizer runoff and the nutritional hazards of cheap corn syrup, these voices contest the agricultural subsidies flowing to American farmers, as well as the blender's tax credit and ethanol tariff. But these arguments are misplaced. Modern agriculture has become increasingly efficient in its cultivation and fertilizer practices. No-till farming and precision application of fertilizer have much reduced agricultural runoff. Moreover, the estimated $7 billion annual cost of the blender's tax credit is more than offset by the savings in farm price support payments for corn and from the tax paid by domestic ethanol producers.

Ford, Chrysler, and General Motors have each promised that half of their vehicle production will be flex-fuel by 2012, provided that enough gas stations are equipped to sell higher blends of ethanol. (Today, the U.S. has 2,259 E15 blender-pump fueling stations, out of a total of more than 159,000 gas stations.) If we also allow more older cars to run on an E15 mix, rapidly approve the use of higher-level blends, and make a national commitment to flex-fuel vehicles, we have the opportunity to do away with another 1 to 2 million barrels per day of imported oil within the next

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five to eight years. And if we choose, we could continue to develop this industry to the point of replacing 4 to 8 million barrels per day of imported oil in the longer term—and there's no reason why federal, state, and municipal governments can't lead the way by procuring only flex-fuel vehicles now.

Further out are more advanced liquid fuels, ranging from diesel-producing, CO_2-fed algae to even genetically modified bacteria that secrete gasoline, as well as alternative fuels like methanol, or hydrogen. Research dollars are flowing; each fuel has its appeal and advocates and will eventually have its chance in the marketplace if we break the grip of imported gasoline. But with tens of billions of dollars per month flowing overseas, we have to recognize the value of using current technology like ethanol while more advanced alternatives emerge.

Already some states, like Arkansas, are providing assistance to commercial firms which seek to convert their existing stations to handle higher blends, including E15. (In Arkansas, the conversion cost is estimated at approximately $70,000 per station, which includes a new tank for ethanol and the new blender pumps.) Growth Energy, an ethanol producers' advocacy group with which I am associated, has proposed diverting some of the blender's tax credits to assist in the conversion of infrastructure.

So, can America take back that $300 billion a year? Unequivocally, yes. But probably not through waiting for any single technology. The government cannot afford to delay confronting the enormity of the problem, but neither can it afford to pick single winners here. There is simply no way to predict accurately the pace or extent of tech developments, changing consumer demand, or capital flows. Instead, our policy must be to adopt a portfolio of possible solutions. Each of the approaches outlined above must be vigorously pursued.

In the near term, the most effective approach is a stronger emphasis on ethanol as a substitute for gasoline. Rapid approval of higher ethanol blends, encouragement to install the requisite infrastructure, and a national commitment to flex-fuel vehicles are all that's needed. The suppliers are standing by and anxious to begin; they only need access to the market.

An expansion of offshore oil exploration and production is also warranted, particularly in the contiguous U.S., aiming to add another 1.5 million barrels per day to U.S. production. Here the restraints are industry skills, environmental compliance, and safety—and industry, in particular, must invest in and demonstrate its commitment to sound standards.

In the middle term, unconventional technologies like coal refining and underground coal gasification bear enormous promise. They have been studied and worked on by the Department of Energy for many years. If adopted here, they could add another 1 or 2 million barrels per day or more to U.S. liquid fuel. But these projects need expedited approval processes at all levels of government. Otherwise, the technologies will just move overseas, where they will face less environmental scrutiny and won't do our economy any good.

Incentives to encourage our heavy vehicles to shift to compressed and liquefied natural gas from diesel will also be important, and could further reduce U.S. demand by perhaps 1 million barrels per day. Altogether, these programs could account for up to 7 million barrels a day of liquid fuel, and perhaps more. And of course, we must encourage more and more Americans to adopt hybrid and electric vehicles as they become available in greater numbers.

Each and every one of these measures will create more jobs, and retain more wealth inside America. Today, the investment dollars are on the sidelines; businesses are uncertain; investors are looking overseas for marginally higher rates of return. Focusing our attention on eliminating oil imports is a vital step in setting our economy aright. If we create conditions on the demand side, including a studious and comprehensive review of the regulatory processes impacting on energy production here, then private investment dollars will flow in quickly to meet the demand.

And all of these efforts—offshore production, conservation, electrification, compressed natural gas, unconventional oil production, and biofuels—are more environmentally friendly and less carbon intensive than the oil they replace. So not only will we be creating jobs, but we will also be advancing the longer-term goal of reducing emissions of greenhouse gases.

There are some who would endorse a tax on carbon or imported oil. And no doubt, that would change the cost calculus for motorists, making many alternatives to imported oil possible. It is a tidy theoretical approach. But so far there is no political consensus to do this, and there is little prospect for such a consensus to emerge.

Instead of making the American people pay more for fuel, what we need to do is get them on our side, in favor of energy independence. And perhaps the best means to achieve this is to label gasoline's country of origin right on the pump. As a first step, legislation was introduced in the U.S. House of Representatives that would mandate country of origin labeling, telling consumers where they are sending their fuel dollars, whether it be Abu Dhabi, Nigeria, or Venezuela. Many of us believe that if the American public could see, each time they go to the pump, where their hard-earned dollars go, we would soon have strong national support for the policies we need to achieve energy independence.

No American politician of either party can defend sending $300 billion per year abroad to pay for imported oil. Not the Tea Party. Not the Republicans. Not Democrats. At a time when the American economy has lost millions of jobs, and when most economists despair of America returning to full employment anytime in the near future, we don't need to put an American on the moon. But we do need to get past denial and overcome our addiction to foreign oil. It's not as if we don't know how. WM

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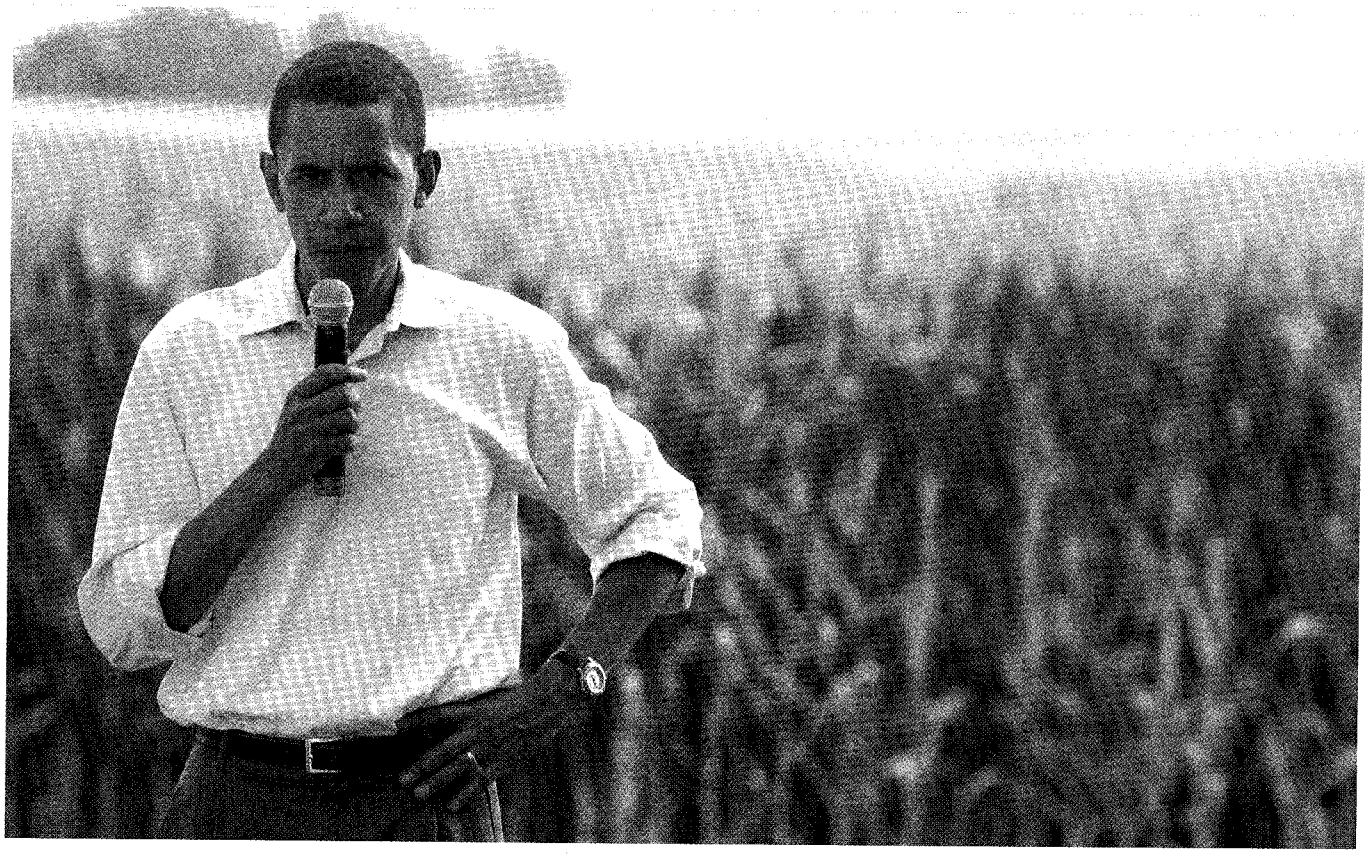

Candidate Corn: Barack Obama on a farm in Adel, Iowa, 2007. His support for corn ethanol helped him win the Iowa caucus. As president, his support for the industry has been unwavering.

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Against the Grain

President Obama wants us to support ethanol. How about we do something better for the American farmer?

By Heather Rogers

On April 28, 2010, the U.S. Coast Guard was mulling a desperate "controlled burn" of a giant oil slick then bearing down on the Louisiana coastline. For nearly a week, 42,000 gallons of oil a day had been gushing uncontrollably from BP's Deepwater Horizon rig in the Gulf of Mexico. There was no longer any doubt that the U.S. faced one of the worst environmental disasters in its history.

Depressed as they were, however, many environmentalists saw a silver lining. If ever there was a teachable moment in which the president could drive home the need for conservation and green technology, this was it. Mindful of his chief of staff's famous advice to "Never let a serious crisis go to waste," they expected Obama to speak out forcefully on the need for more investment in mass transit, wind and solar power, electric cars—and maybe even to visit a "walkable" community to showcase the obvious lessons of the disaster. But instead, on April 28 President Obama traveled to an ethanol plant in Macon, Missouri.

During his speech he didn't mention the Gulf spill. Instead he used his time to remind the plant workers that his administration had devoted $800 million in stimulus money to the production of corn ethanol and other biofuels. And he also boasted of a new Air Force fighter jet, "the Green Hornet," that could break the sound barrier burning fuel made of corn. "I believe in the potential of what you're doing right here to contribute to our clean-energy future, but also to our rural economies," he summed up.

In the eyes of many environmentalists, Obama might as well have just flown to Alaska and exclaimed, "Drill, baby, drill!" Thought leaders in the environmental movement and progressives generally have formed a strong consensus against crop-based biofuels in recent years, holding that biofuels, whether derived from corn or any other row crop, are doubly diabolical for seeming to be "green" while in reality being polluting. Far from reducing greenhouse gases, goes the charge, biofuel production adds to global warming while also eroding topsoil and

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exacerbating all the other environmental harms caused by industrialized agriculture.

Yet here was our supposedly very progressive president out championing biofuels—as, it turns out, he has done since his days as the senator from Illinois. Cynics will say that Obama is just making the same calculation his predecessors have: he knows that while subsidies for biofuels will never deliver energy independence, they are exceedingly efficient at producing votes in key races like the Iowa caucuses, or for winning over key farm-state senators to the cause of health care reform. This fall, with Obama's blessing, influential farm-state legislators are pressing to extend one of the industry's major subsidies, the so-called Volumetric Ethanol Excise Tax Credit. It has cost U.S. taxpayers $20 billion since 2006 and would run an additional $31 billion by 2015. The administration is also smiling on renewing another key biofuel subsidy brought to you by Bush: a fifty-four-cents-a-gallon tariff on imported ethanol, which virtually eliminates foreign competition. And it's likely Obama's Environmental Protection Agency will soon increase the maximum mixture of ethanol allowed in gasoline from 10 to 15 percent.

Maybe political calculation is indeed what ultimately drives Obama to cuddle up to biofuels. After all, due largely to the way our Constitution and electoral primary system favor scarcely populated farm states, saying no to ethanol could cost the key support you need for your own legislative agenda. Taking the world as we find it, perhaps we just need to accept the reality that one way or another elected officials will always have us paying large subsidies to American farmers.

But this raises a question: If eliminating agricultural subsidies is a political nonstarter, what if we used those subsidies in ways that truly benefited most farmers while also achieving other important public purposes? As I discovered on a recent reporting trip through Iowa, many farmers there would welcome a way to break free of the ethanol-industrial complex. The people I met said they'd rather cultivate crops using ecologically sound methods, if they could do so and still earn a decent living. It's not as if midwestern farmers don't know—better than the rest of us—that growing crops for biofuels damages their soil and keeps them at the mercy of predatory multinational corporations.

Fortunately, there are policy choices the country could make that would preserve the heartland while also advancing other important public goals, from reducing the amount of carbon in the atmosphere, to stanching the flow of nitrogen-laden topsoil down the Mississippi, lowering our energy use, and producing an American diet that doesn't leave so many of us both overweight and undernourished. But to achieve such a generative result we will have to work hard to overcome deep prejudice and cultural divides that leave most farmers today feeling scapegoated by blue state elites. We'll also have to make sure to get the basic science straight—to honestly assess whether any part of the biofuel project should have a place in this future too.

Today, biofuels come in two basic varieties. By far the most common is ethanol, an alcohol-based product usually distilled from corn and less often from sugarcane. It can be used as a substitute for gasoline. The other is biodiesel, which derives from oil-producing crops such as soybeans and canola. Neither is new. Henry Ford designed a version of the Model T to run on ethanol, and Rudolph Diesel's original engine burned peanut oil. But the economics of biofuels have always been challenging.

A century ago in places like Texas, if you so much as scratched the dirt crude would come bubbling to the surface. Biofuel production, on the other hand, was costly, thanks to all the land as well as labor required for sowing, fertilizing, cultivating, harvesting, storing, transporting, and processing. And the energy embodied in the fossilized material that spews out as oil and natural gas contains eons of stored solar power. By contrast, biomass, plant-based material used for fuel, contains only the solar energy it absorbed over its lifespan. In the case of annual crops such as corn, that's just a single growing season. Current research indicates that a refinery operating at the height of efficiency will produce as little as 1.3 gallons of corn ethanol while consuming as much as one gallon of fossil fuels.

Maybe political calculation is what drives Obama to cuddle up to biofuels. But if eliminating agricultural subsidies is a political nonstarter, why not use those subsidies in ways that truly benefit farmers while also achieving other important public purposes?

Add to this the market power and economies of scale achieved by the Standard Oil monopoly and its more recent oligopolistic offspring, and it's easy to see why biofuels have never had a chance in the marketplace without steep subsidies. In addition to expanding ethanol's reach, today's subsidies continue the decades-long tradition of U.S. farm programs that enable a bushel of corn to sell for less than it costs to produce.

What's wrong with these subsidies? For one, as many biofuel critics argue, money we spend subsidizing biofuels is money we can't spend investing in truly green technologies and conservation measures. In 2007 almost 75 percent of all taxpayer dollars spent on renewable energy went to corn ethanol. Wind, solar, geothermal, and other renewables had to divvy up the leftovers. This is not even counting all the private-sector capital diverted into biofuel research and production by the availability of federal subsidies.

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Worse, many thinking people now believe—and with good reason—that using more croplands to produce biofuels drives up the cost of food. Though speculators played a significant role in inflating the cost of all commodities just before the Great Recession, booming ethanol production also contributed to a spike in food prices that caused much misery around the world. This year, more than a third of the U.S.'s record corn harvest will be used to produce corn ethanol, and we are on course to using 50 percent for biofuels within five years.

Nor do biofuels offer America energy independence. In 2007, Congress adopted the ambitious mandate to triple overall U.S. biofuel use to 36 billion gallons per year by 2022. We are already far behind that timetable, but even if production increases were achieved they would amount to just a fraction of today's annual diesel and gasoline use, which is around 170 billion gallons and climbing.

With corn ethanol now established as part of the U.S. transportation fuel mix—almost 80 percent of all gasoline contains some fraction of ethanol—we see more clearly the environmental and social impact it brings. Industrially farmed crops like corn require large supplies of water; currently agriculture accounts for 70 percent of human water consumption. Ethanol refining also churns through lots of water. And maize crops need plenty of plant food to grow, especially nitrogen. In today's world that means applying huge doses of chemical fertilizers made from hydrocarbons. These chemical fertilizers, in turn, often run off fields and pollute waterways, as do the herbicides and pesticides used in corn production. In recent years some farmers have made progress in mitigating this problem, but enormous volumes of nitrogen and phosphorus from midwestern fields still wash into the Mississippi, eventually flowing into the Gulf of Mexico and creating one of the world's largest aquatic "dead zones." So while the Gulf would benefit from our drilling fewer holes to extract oil, growing more midwestern corn to make ethanol could well leave Gulf fisherfolk even more imperiled.

In the early 2000s, some environmental and social justice groups supported limited production of ethanol as a substitute for MTBE, a gasoline additive designed to cut smog that turned out to be uncontrollably polluting groundwater. But the idea was never to stake the country's energy future on biofuels. In today's progressive view, the only reason ethanol is a growing business is because the Bush administration, eager to give a sop to red state agribusiness giants like Monsanto, lavished it with subsidies.

Modern corn cultivation also causes massive soil erosion. When settlers first broke Iowa's primeval prairie sod, fields typically contained sixteen inches of topsoil; more than half of it is now gone. Talk to any agronomist, agricultural economist, or farmer, and he'll tell you soil is even more crucial to our civilization than oil. If we don't have fertile ground we can't grow food, never mind biofuel.

Nitrogen from synthetic fertilizer also works its way into the atmosphere in the form of nitrous oxide, a greenhouse gas 296 times more damaging than CO_2. The vast monocultures of corn grown for ethanol production also reduce biodiversity, making all our crops more vulnerable to pests, disease, and climate change. Nearly all corn grown for ethanol is raised from genetically modified seed, which many experts warn could well lead to the evolution of "super weeds" and other baleful unintended consequences.

Until several years ago, environmentalists could see at least one benefit that might come from ethanol production: since plants absorb carbon from the atmosphere, increased ethanol production would theoretically contribute less to global warming than burning hydrocarbons like coal and oil. But if the U.S. makes fuel from corn that would otherwise be sold for feed and food, then how is the world going to respond? By chopping down rainforests and converting grasslands into row crops is, unfortunately, the most logical answer. As Princeton scientist Timothy Searchinger and others pointed out in their seminal paper from 2008, the net effect of such land use change would be to double greenhouse gas emissions in thirty years.

More recent studies that factor in possible land use effects find ethanol to be no worse, or marginally better, than gasoline in terms of net carbon output. These varying conclusions mostly reflect different assumptions about how much technology can further boost corn yields per acre, or how humans around the world will respond to increasing competition for food production. There is no precise scientific way to ascertain such things; eventually, one has to rely on common sense in determining which assumptions to use. And common sense strongly suggests that in the face of continuing global population growth (expected to rise by 2 billion within forty years) we cannot turn much more of our corn harvest into ethanol without plowing under large expanses of native ecosystems to make way for new farmland. And even if we could, all the energy required to grow, harvest, transport, and refine corn ethanol would still emit substantial greenhouse gases, not to mention sidelining emission-free forms of energy such as wind, solar, or hydro to power electric vehicles, including for mass transit.

As you've probably heard, proponents of biofuels have a ready answer to this charge. Sure, some will admit, corn-based ethanol has all these problems. But it is merely a stepping stone to a rapidly approaching technology that will allow us to refine biofuels from non-food feedstock. Switchgrass is a commonly cited example. So are other plants humans don't normally eat, such as cellulose-rich cornstalks, corncobs, and wood for ethanol, and algae, which can be used to make biodiesel. These alternative feedstock are easily grown on land less fit for food crops and require comparatively little irrigation, energy, and fertilizer.

We're not there yet, however, even though scientists have been working on the necessary refining technology for more than eighty years. To be sure, if the promised advances ever materialize it might be possible to produce biofuels in less harmful ways. Lisa Schulte-Moore is a scholar conducting advanced biofuel research in a collaboration between Iowa State University and the University of Minnesota. Along with Ryan Atwell and Lynne Westphal she is working on a plan of how and where these crops could be grown. Key to their vision is creating a balanced agro-ecosystem so that "each part of the landscape is seen as performing a valuable function based on its soils, topography, and hydrology."

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For example, algae for biodiesel would be propagated in reconstructed wetland systems, with bogs providing the added service of filtering out agricultural pollutants. Low-lying areas and sloping fields unsuitable for raising grains would be dedicated to woody crops such as hazelnut and poplar for ethanol.

But there is still a big problem with this vision. How are we ever going to collect and transport the massive amounts of low-energy biomass that would be needed to make any real dent in America's energy needs? Two years ago, Virgin Airlines scored a burst of free publicity by announcing that it had flown a Boeing 747-700 from London to Amsterdam using a biofuel mix of 20 percent coconut oil to power one of the plane's four engines. But there was a hitch not mentioned in the press release: to make just that small amount of coconut oil requires growing, harvesting, transporting, shucking, and refining 150,000 coconuts. Similarly impossible quantities would be needed to make a short journey using jet fuel refined from Jatropha beans, or soybeans, or any other oil-producing plant known to man, let alone from less energy-intensive biomass such as switchgrass.

We often hear that refining oil from algae might not be as logistically cumbersome. And it's true that some modest environmental benefits could result if production were small scale and used algae ponds that could filter agricultural runoff or wastewater. Theoretically, smokestack emissions could also be captured to provide the CO_2 that algae need to grow quickly. But once we bump up to the volumes needed to make a dent in America's current oil consumption, the logistical and environmental problems, to say nothing of the capital requirements, become overwhelming. To meet domestic fuel needs, assuming still-unrealized breakthroughs in technology, we're probably talking covered slime ponds that would take up the equivalent of the entire landmass of Maryland.

More to the point, nobody has figured out how to harvest and refine that much pond scum without incurring impossible costs. According to U.S. Department of Energy, algal biofuels produced in large volumes with current technology would cost more than $8 per gallon.

It is easy to see why we all want biofuels to work as advertised. If only they did, then no one would have to cut back on driving, or drive smaller cars, let alone take mass transit. We'd get to stick it to the likes of BP and stop blowing $300 billion each year on oil imported from other countries. Instead we could pour that money into low- and no-carbon fuels as well as conservation, all while creating jobs here at home. And to be sure, biofuels can play a limited role in achieving this vision. For example, it makes sense to produce biofuels from organic material that would otherwise become waste or worse, such as nitrogen running off farms. But these are only niche applications, which leaves us, and the president, with a giant political problem: how to craft a working coalition to overcome the burgeoning ethanol-industrial complex and enact more sensible food and energy policies.

The landscape skirting the small town of Iowa Falls, population 5,200, is expansive and flat as a pancake. It is also some of the most productive soil in the world. I travel here in the middle of a stretch of bad weather, so the fields are muted with snow perforated by the blond stubble of dead corn stalks.

Many farmhouses are abandoned, but among them are people still making a living off the land. One is Kent Picht, who has been cultivating his land for thirty years and currently works 850 acres. Using genetically modified seed, chemical fertilizers, and synthetic herbicides he produces a monoculture of corn year after year, which he sells to the local ethanol refinery, Hawkeye Renewables. From the perspective of a blue state progressive all read up on Michael Pollan and local farming, Picht might seem to fall neatly into a stereotype. But that would be a gross misapprehension.

Picht asks me to leave my shoes in the mudroom as we walk inside his farmhouse. One of his daughters is sprawled on the sofa in the living room—she's a high schooler and it's Saturday morning—watching a large TV. He hands me a cup of tea and we go to the family room, where it's quieter. Picht is in his late forties with sandy blond hair, mesh cap, jeans, and is thin but not skinny. When we start talking about ethanol he seems guarded, as are so many people I meet in Iowa. Many farmers and locals I contact or try to contact either don't get back to me or say they'd rather not talk. No one at the Hawkeye refinery will take my calls—not even their PR guy. Initially Picht tells me ethanol's been nothing but good. It's a line I hear many times while I'm in Iowa.

If the U.S. makes fuel from corn that would otherwise be sold for food, then how is the world going to respond? By chopping down rainforests and converting grasslands into row crops is, unfortunately, the most logical answer.

Defensiveness has become a feature of the ethanol trade. Farmers like Picht want to protect ethanol because unlike any other option in a generation it has enabled them to earn a living. While the rest of the country was booming in the 1980s, Iowa farmers were pioneering the foreclosure crisis, with the number of the state's farms shrinking by nearly 50,000. But for the few farmers remaining, and for the dying rural towns that depend on their income, the ethanol boom has offered at least a chance at dignity. For many family farmers the rise of corn ethanol means they only need a fraction of the government payments they once maxed out to cover their annual debts.

In 2007 Picht bought his first new truck ever. Before ethanol he could never justify the expense. He went to a dealership,

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test drove a few models, sat across the desk from a salesman, and inked the paperwork. This time he wasn't filing forms for a government check to squeak by for the year. This time he was using his own money to purchase a brand-new, cherry-red Ford pickup.

Picht bought the truck in the heady days of the ethanol boom, when in a span of two years per-bushel corn prices surged from just over $2 all the way up to $7, even $8 on some days. At first profits were fat because production costs hadn't changed. By mid-2008, though, bills for fertilizers, pesticides, gasoline, diesel, seeds, equipment, and land rents caught up. Earlier this year when I met with Mike Duffy, an economist at Iowa State University, he showed me a graph charting farm production costs and income over that time. The zigzag of profits crest and then drop like an Alpine peak as margins during some months fell into negative territory thanks to the spike in input costs. "When there's money on the table everyone lines up to get a share and farmer profits go back down," Duffy told me.

Nevertheless, with revenues and federal, state, and local subsidies flowing, more farmers got into maize, forgoing rotations of soy, wheat, alfalfa, and other crops. That means relying on ever more chemical fertilizers to replenish sapped soil, and synthetic herbicides and genetically modified seed bought at monopolistic prices to manage pest-prone monocultures. Landowners have cashed in too, shifting acreage from pasture to row crops and taking additional land out of conservation. "Farmers have made some money in the last few years," Duffy explained. But the notion that the family farm has been reinvigorated by ethanol is wrong. "Corn farmers handle more money today than they used to, but margins are back down to about what they were before the boom," he noted. In other words, even though Picht's red pickup is now scratched and dented, he won't be replacing it anytime soon.

"I've been a beneficiary of ethanol. Is it good public policy for the country? No, it's terrible," says Iowa farmer and local commodity broker Keith Kuper.

Meanwhile, new farmers such as twenty-four-year-old Jeff Burkley can't get onto the land because ethanol has driven rents sky high. Instead Burkley, who grew up on a farm and has long lines of farmers on both sides of his family, must hold off. For now he's working full-time at a biotech seed firm to save up money so that one day he can afford to be a farmer. Burkley's not alone in his struggle: only a quarter of all farmers in the U.S. are below the age of forty-five, and corn ethanol, with its inflationary effects on farm land prices, equipment, and chemical inputs and seed, reinforces the pattern. Today, just to get into the business a new farmer must produce full tilt. This happens in one of two ways: through expansive production using lots of acreage (Iowa dirt now sells for about $5,600 per acre) and heavy equipment (a new combine harvester can easily run over $200,000); or intensive production using less land worked in a labor-intensive manner. Either way, new farmers will quite likely spend the rest of their life in debt.

Corn ethanol's shortcomings are certainly not lost on Keith Kuper. A conventional corn farmer and small-time commodity broker in Iowa Falls, he's one of just a few people I meet in Iowa who is candid about the subject. "I've been a beneficiary of ethanol. Is it good public policy for the country? No, it's terrible," he says. Kuper knows ethanol puts more farmers at the mercy of agribusiness and that it forces them to plunder the soil and pollute the water and air. He knows it makes everyone even more dependent on fossil fuels. And he knows the much-hyped promises to revitalize the heartland were bunk. "Farmers benefited during the first couple years [of the boom] but now we're right back to where we were before—we're just pushing more money around."

Picht, Kuper, and Jeff Burkley's father all spoke frankly about their disdain for the distant corporations that increasingly control their lives. At least in the days of prairie populists farmers didn't have to pay royalties to biotech firms like Monsanto that had patents on nature itself. Farmers always had to deal with the vagaries of weather, pests, and transportation fees, but the cost of growing a crop, and the sums they received for it, did not swing wildly based on the bets of Wall Street traders speculating in derivatives.

Back in Picht's family room he tells me he considers himself an environmentalist. Depleting the soil and using chemicals that pollute water supplies and create hypoxic zones in the Gulf of Mexico make him mad. "I'm a fisherman, I want the water to be clean," he says. Then our conversation turns to food. He doesn't shop at the supermarket chain store in Iowa Falls. Instead he gets meat from area farmers who raise their livestock on pasture, and freshly laid eggs from another farmer down the road.

The same is true with some of the other locals I meet. Iowa is the country's number one egg producer, thanks to its giant factory farms, but Picht doesn't need a Berkeley foodie to tell him he's better off trading with his neighbors for eggs. I ask why. "I don't want to eat chemicals!" he says, his hands raised in exasperation.

As we talk about possibilities for change he vacillates between excitement and worry. "There's other alternatives to Big Ag. There's farmer's markets—they're big out here, every town has them." A few minutes later, though, he expresses anxiety: "I hate to think what this place would look like without ethanol plants. I imagine it would be like Detroit on a smaller scale." Then, not long after that, he ventures that if all Americans drove Priuses, "we'd probably solve our energy problem."

In talking to Picht and other farmers, I realize that once you scratch the surface their allegiance to ethanol doesn't run deep. They understand it's part of the same industrial farming system that's been undermining the American farmer's independent way of life for generations. And so they live with the constant push-and-pull of not liking the industrial farming that

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comes with widespread ethanol production, but liking life on the land; not liking how they have to work harder each year, but feeling gratified they are not wage slaves. Farmers like Picht want to protect ethanol not because they believe in it but because under today's circumstances, they have no other reasonable options. If I were in Picht's shoes I'd probably feel the same way.

Imagine another possible world. It is a world in which we still offer bountiful subsidies to American agriculture because politics dictates that we do so. But these subsidies go not toward the false promise of large-scale biofuel production, but for ends that are technologically feasible and broadly desirable for farmers and nonfarmers alike.

Let us suppose, for example, that we paid growers like Picht to minimize deep plowing and to plant winter-cover crops so as to prevent erosion, filter pollutants, and build up the soil; to practice rotations of alfalfa, clover, vetch, peas, and other nitrogen-producing plants to minimize the need for chemical fertilizers and pesticides; to grow not just monocultures of corn and wheat and soybeans, but more fresh fruits and vegetables, which currently receive almost no subsidies.

What would be some of the consequences? We are not talking about encouraging every American farmer to go "organic" (if by that we mean no synthetic chemicals, no genetically modified organisms, ever). We are talking about compensating farmers for specific agricultural practices that would deliver tremendous public good for which taxpayers should properly pay.

Consider carbon sequestration. All arable soils contain some fraction of slowly decomposing organic material known as humus. What some farmers don't know, along with most city folk, is that building humus in the soil also sequesters immense amounts of carbon. This CO_2 would otherwise hang in the atmosphere, since it is exorbitantly expensive to reduce by other means.

What's more, humus is enormously beneficial to plant life. A soil rich with humus acts like a sponge, so less irrigation is needed, and less fertilizer runs off into waterways. Humus also slowly releases nitrogen and other nutrients it contains, so overall fertilizer use drops. If undisturbed by heavy plowing and applications of pesticides and herbicides, humus helps maintain a complex, finely balanced ecosystem of microbial life in the soil that over time will raise fertility and help protect plants from pathogens and pests.

Farmers know this, and have known it for about 10,000 years. But under our current system of subsidies and industrial-scale production, few can afford to take much advantage of these elemental principals of agronomy.

Here's where an opportunity for a new win-win politics of agriculture enters—one that serves both struggling farmers and the broader public. Today, most agricultural land in the U.S. is severely depleted of humus; decades of heavy tilling and excess applications of chemical fertilizer have caused it to decompose or wear away. Not only do today's standard agricultural practices deplete soil fertility, using large amounts of chemical fertilizer to compensate for the gradual sterilization of the soil adds still more to greenhouse gas emissions. Yet because of market forces and the way our farm subsidies work, farmers are nonetheless compelled to, in effect, "mine" what natural humus they have left in their soils just to stay in business. All they can do to make up for declining soil fertility is add more and more chemical inputs and increasingly rely on expensive, genetically modified seed.

It's a classic short-term/long-term tradeoff. The current path most farmers are on maximizes short-term yields, but leads to ongoing economic dependence and, for most farmers over the last generation, eventual bankruptcy. And of course it means that carbon once safely and beneficially sequestered in topsoil is now released into the atmosphere. What's wrong with the picture?

According to research conducted by the Rodale Institute, up to 40 percent of the world's emissions of CO_2 would be sequestered if farmers made greater use of such proven soil-building techniques as composting, no-till planting, and cover crops in winter grown without use of herbicides. Rodale has also shown that over time such techniques will build soil fertility to the point that crop yields are the same or better than those achieved by today's more common and unsustainable techniques.

Yet farmers receive virtually no compensation for cultivating in ways that cut CO_2 emissions, reduce runoff, or otherwise help "save the planet." Says Iowa State University economist Matt Liebman, this way of farming can't go on—we have to shift our agricultural system to prioritize stewardship. That means creating what he calls a "portfolio of payments." "We can pay farmers for just the products they provide"—such as corn for ethanol—"or for their products *and* their stewardship. It's our choice, but either way farmers have to earn a living."

Paying farmers to sequester carbon is sound public policy, but it's also, and just as importantly, good politics. By helping to preserve farmers economically while also allowing them to be the stewards of land most want to be, it peels farmers away from the agribusiness coalition that is pushing the Obama administration to bet the country on a failed biofuels energy strategy.

Yes, this proposal does not in itself achieve the colossal task of restoring America's energy independence and getting the country off fossil fuels, though it would help considerably by allowing farmers to cut their petrochemical use. To the extent that this proposal would foster more local production, it would also shorten supply chains in food production and distribution, thereby realizing further energy savings. Achieving full energy self-reliance, of course, requires conservation and increased energy efficiency throughout the economy; farm sector reform alone can't accomplish that. But this proposal would fully achieve other goals that are just as important, if not more so—above all not leaving the next generation as desperate for imported food as we are for imported energy. WM

Heather Rogers is author of *Green Gone Wrong: How Our Economy Is Undermining the Environmental Revolution*. Research support for this article was provided by the Investigative Fund of the Nation Institute.

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Prison Break

How Michigan managed to empty its penitentiaries while lowering its crime rate.

By Luke Mogelson

Anyone involved with rehabilitating former prisoners learns to live with modest accomplishments. In its last study on recidivism, in 2002, the Department of Justice found that over two-thirds of former prisoners were rearrested within three years of being released. There's no reason to think those numbers have improved. The recidivism rate in California, for instance, has hovered at around 70 percent for the past twenty-five years. On such bleak terrain, gains are measured by a hairsbreadth.

That's why eyes are turned to Michigan. In 2003, the state launched the Michigan Prisoner Reentry Initiative (MPRI), which amounts to the most comprehensive program in the country for helping parolees transition from prison back into society. The premise of the MPRI is familiar: that it's both cheaper and safer to invest in preventing ex-cons from reoffending than it is to repeatedly incarcerate them. The methods, however, are new. And preliminary data from the Michigan Department of Corrections is promising: parolees who have been released through the MPRI are returning to prison 27 percent less frequently than similar offender types released without it. Other measures also point to progress. Last year saw the fewest parolees committing new crimes since 2005 and the smallest percentage of total paroles revoked since record keeping began more than twenty years ago.

When parolees are less likely to reoffend, more prisoners can be let go without jeopardizing public safety. Going hand in hand with Michigan's improved recidivism rates, therefore, has been a correspondent increase in parole approvals. Over 3,000 more prisoners were paroled in 2009 than were paroled in 2006; approvals for violent offenders have gone up by more than half (from 35 to 55 percent), while approvals for sex offenders have more than quadrupled (from 10 to 50 percent). As a result, during the past three years, the number of state inmates in Michigan has shrunk by 12 percent, reversing a sixteen-year trend of steady prison population growth. The turnaround enabled Governor Jennifer Granholm to shut down ten prisons last year, and an additional eight are slated to be closed by the end of 2010.

A few months ago, I sat in on an MPRI employment readiness seminar at the Oakland County parole office. The office is in Pontiac, the former hub of Automation Alley, where over half of the workforce is still employed by General Motors. Some twenty-five parolees—white, black, young, old—crowded into a small room, where they listened to Chaka McDonald, a sharply dressed case specialist, explain things like the difference between a laptop and a desktop.

"Who's surfed on Yahoo?" asked McDonald midway through the class.

Two men raised their hands.

"Who has e-mail?"

Four hands.

"Who's familiar with Facebook?"

One hand.

McDonald held aloft a black Dell notebook. "How could it benefit you, knowing what kind of computer this is, if you're meeting with an employer?"

"The job might be ran on them," answered a young man in his twenties.

McDonald nodded and moved on to explain how a wireless USB internet adaptor worked. "How could this benefit me, if I go see an employer and I'm not shocked looking at this thing protruding out of this computer?"

A man with a shaved head, who'd been running a comb through his long black goatee, raised his hand. "It shows you have a working knowledge of the technology."

"There you go. Because at some point we know we gonna have to address the felony. So if I know at some point I'm addressing the felony, if I can let this employer know I'm still computer literate, won't that diminish that felony a little bit?"

After the class, a reentry coordinator named Sherry Carter pulled the man with the goatee and shaved head into her office. The man's name was David, and he'd recently been released after doing ten years for having had sex with a thirteen-year-old girl. (David had been seventeen at the time.) He was hoping to get a job at the Silverdome, but he knew his prison tattoos would disqualify him. "SCORPIO" was inked on one side of his neck, "BETTY" on the other, and "D-A-R-K-N-E-S-S" across his knuckles.

"Are you interested in having your tattoos removed?" Carter asked him.

The Pontiac parole office has an agreement with American Pride, a local parlor that performs laser removals. In David's case, the procedure would likely take two sessions, each costing

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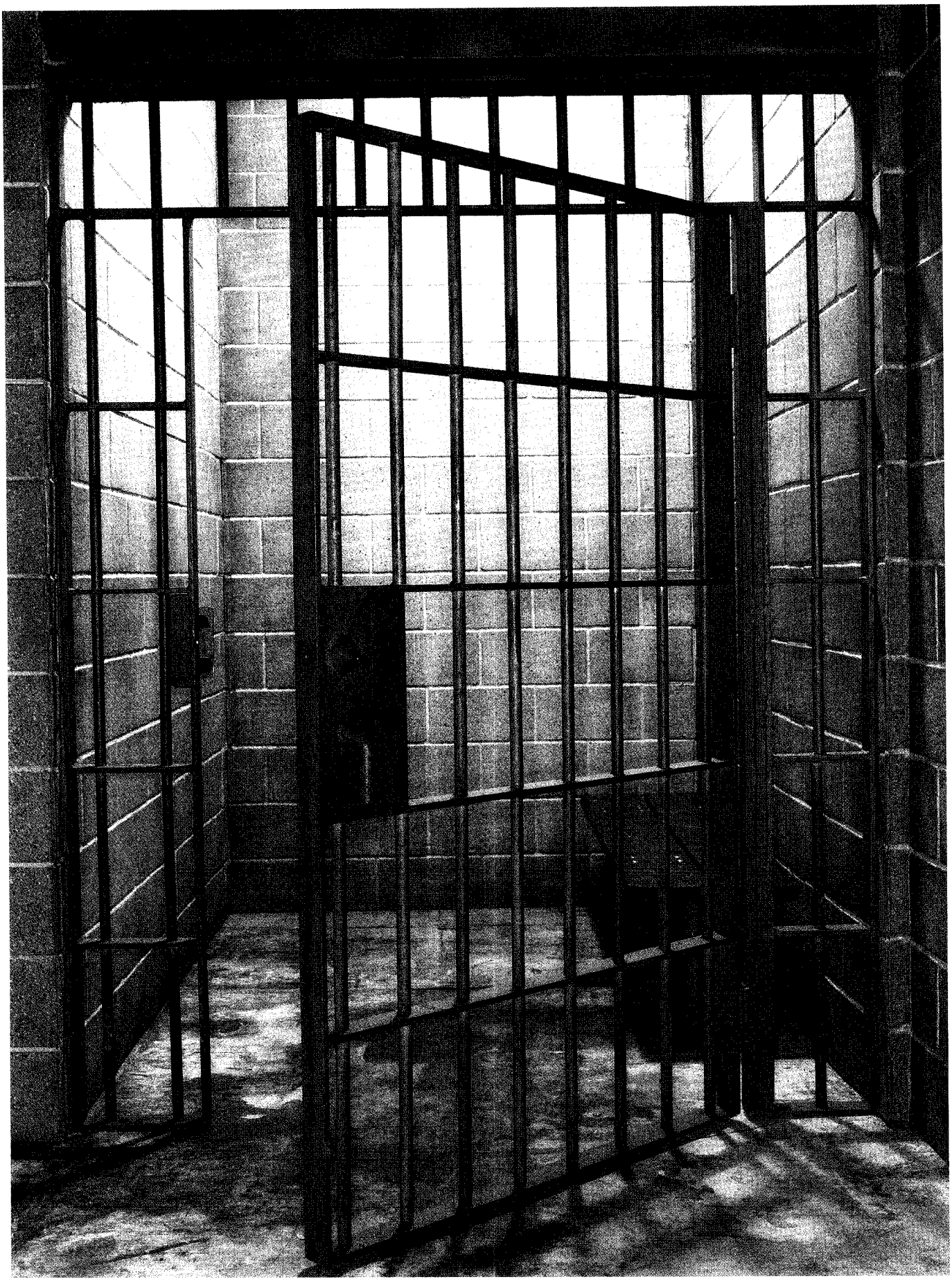

Michael Kelley

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$100, but the Michigan Department of Corrections, with MPRI funds, was willing to pay for it.

Later, David told me that when he was released from prison the MPRI set him up with an apartment, provided him with bus passes, gave him vouchers for clothes, and helped him create a resume and apply for jobs. MPRI officials also got him enrolled in Oakland Community College, where he will be pursuing a degree in automotive technology.

This sort of assistance is a big change. Prior to the MPRI, Michigan parolees received a little bit of cash and two weeks of transitional housing. After that, one former parole agent says, "They were out on their ass, either sleeping on a park bench or in the shelter."

Under such circumstances, David told me, he probably wouldn't have made it. "A guy like me, I did ten years in the joint. You get out and you got nothing. I had one outfit when I got out. That's the only thing I had in my entire possession. If it wasn't for the MPRI program, I'd be on the street right now."

During the past three years, the number of state inmates in Michigan has shrunk by 12 percent. The turnaround enabled Governor Jennifer Granholm to shut down ten prisons last year.

Between 1970 and 2005 the number of incarcerated Americans grew by 700 percent, accounting for one-fourth of the world's prisoners. A 2008 study by the Pew Center on the States found that more than 1 in 100 adults were behind bars. This isn't just grim in humanitarian terms; it's also extremely expensive, costing over $60 billion a year. If states are to cut back on the vast sums spent on prisons, they will need to focus on keeping parolees from reoffending. No state has taken the lead on this more than Michigan. More important, what Michigan's example suggests, at least for now, is that there's a way to accelerate releases—and to do it safely. Despite releasing more than 6,000 convicted felons onto its streets, Michigan has seen per capita violent crime decline by over 10 percent since 2005.

Understanding Michigan's transition from building prisons to closing them requires looking at how incarceration became such a large part of the state's budget in the first place. In 1973, Michigan had a prison population of 7,874 inmates, and $38 million, less than 2 percent of the state's general fund, went to corrections. Crime was rising, however, and prison capacity was insufficient. Like many other state legislatures across the country, Michigan lawmakers attributed their worsening crime rates to what they viewed as overly lenient sentencing guidelines, so they enacted tougher policies and built more prisons. By the end of 1984, Michigan's inmate population had nearly doubled, reaching 14,658. Five years later, it had more than doubled again, to 31,834.

The increase in incarceration alarmed some state officials, but events conspired to keep the prison population climbing steadily upward. In 1992, a parolee named Leslie Allen Williams confessed to kidnapping and murdering four teenage girls, burying their bodies in shallow graves northwest of Detroit. Williams was a repeat offender who'd been released after serving a minimum sentence for assault. Public outrage was immediate and fierce. "The parole board represents the bureaucratic interests of emptying beds and not one of them represents the public safety interest," one Michigan prosecutor told the *New York Times*. At the time, Michigan's parole board was composed of civil service employees such as criminal justice experts and law enforcement officials. After Williams, however, the legislature granted the governor new powers to appoint and remove board members at will. Republican John Engler soon overhauled the board and encouraged its new members to get tough. In the decade that followed, the parole approval rate dropped by 20 percentage points, and the number of parolees annually returned to prison for technical violations doubled.

By 2003, when Jennifer Granholm became governor, Michigan's prison population had increased to 50,591, and corrections expenditures had reached $1.6 billion, almost a fifth of the state's general fund. It was becoming unsustainable. "If something wasn't done, we'd be building more prisons, and that simply was not in the cards," remembers Beth Arnovits, executive director of the Michigan Council on Crime and Delinquency.

With the state hitting hard times (Michigan's recession predates the economic downturn by a decade), Granholm and other officials were finally ready, if warily so, to listen to new ideas. What they heard from prison reformers was that Michigan's sentencing policies, along with the rest of the country's, were based on two flawed assumptions: one, that heavier sentences meaningfully deter crime; and two, that fewer grants of parole decrease recidivism. In fact, reformers had long argued, research shows that factors such as police per capita correlate far more closely with crime rates than do prison sentences, and longer lengths of stay do nothing to increase the likelihood of success on parole. A study of 76,000 Michigan convicts, for example, found that prisoners who were paroled later reoffended at the same rate—and, in some categories of offender type, at a *higher* rate—as those paroled earlier.

As a first step toward reforming the state's correctional system, Granholm appointed Dennis Schrantz as her deputy director for corrections. Schrantz is a North Carolinian who came to Michigan in 1990 to head the state's Community Corrections Office, a new agency created to bring down prison admissions by improving probation options. Schrantz's efforts had reduced the overall commitment rate for convicted felons (that is, the proportion of felons actually being sent to prison) from 32 to

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22 percent, the lowest in the country. (The national average is 35 percent.)

Now Schrantz's attention would be shifted from the front end of the system to the back end: finding safe—and politically feasible—ways to reduce the length of stay for inmates, most of whom were serving more time for their offenses than prisoners in neighboring states. (About sixteen months more, on average.) Schrantz knew this would require a focus on parole. Like thirty-three other states, Michigan uses a form of indeterminate sentencing in which each inmate gets a minimum (determined by a judge) and a maximum (established by the legislature). Often, the gap between the two can be vast—a sentence of three to twenty years, for instance. After serving his minimum, the inmate becomes eligible for parole; if he is never granted parole he eventually "maxes out" and goes free. While indeterminate sentencing has its drawbacks (parole decisions can seem arbitrary), it offered an important opportunity to Schrantz and other prison reformers: they could reduce lengths of stay without seeking authorization from the legislature, where partisan grandstanding has consistently prevented lawmakers from voting for sentencing guidelines that might be portrayed as soft on crime. As long as Schrantz could persuade the board to raise the rate of parole, prison crowding could be brought down.

In order to win over the board, Schrantz first had to make more resources available for released inmates. This didn't take long. He'd learned from his experience working with probationers that effective programs seldom need to be created; they already exist in the community. "We gave the locals a lot of authority and control, and that proved to be the ticket," Schrantz says. "The state did what I think the state should do, which is create the policy framework and provide the funding and let the people that are closest to it do the work." (Nongovernmental partnerships have remained a hallmark of the MPRI. Today, in Detroit alone, the Department of Corrections contracts with more than sixteen nonprofit organizations to work with parolees, offering services that include substance abuse counseling, classes on domestic violence prevention, family reunification, mentoring, and housing and employment assistance.)

Schrantz also opened up communication between parole board members and DOC leadership, something he says had never happened. "States don't do a very good job of making certain the parole board is part of their process," he says. "It's as if the parole board is off on their own, and in many cases they are physically off on their own." When Schrantz had asked his predecessor's chief of staff to describe the relationship between the board and the outgoing corrections director, the chief of staff told him that he wouldn't know a parole board member if she walked into the room.

Schrantz's strategy for persuading the board to release more inmates from prison on parole was so straightforward it seems incredible that it hadn't been tried before. "I asked them, 'What do you need? Under what conditions would you consider paroling these individuals?'" Schrantz recounts. Members of the board say they were thrilled to be asked this simple question. They first brought up the problem of the mentally ill, who make up roughly a sixth of Michigan's total prison population (7,100 out of 44,500). Mentally ill parolees reoffend at a much higher rate than other parolees, and the board told Schrantz they rarely felt comfortable releasing them because they knew that the parolees would receive nothing more than sixty days of medication. Schrantz and his team responded by creating the MPRI Mental Health Initiative, which put in place contracts with community providers to offer paroled inmates sustained mental health services and guidance on obtaining other state and federal entitlements. Today, when mentally ill prisoners appear before the board, they bring packets detailing individually tailored, long-term master care plans. Parole approvals have spiked, and now only 28 percent of mentally ill parolees return to prison, compared with 50 percent prior to the initiative.

For regular prisoners, Schrantz worked to equip those going up for parole hearings with plausible plans for what to do once they were released. "What the parole board in Michigan saw was prisoners coming to them for the first time better prepared," says Le'Ann Duran, director of the Justice Department's National Reentry Resource Center. "Couple that preparedness with the huge investment that Michigan made in the community-based resources which never before existed, and that's very attractive to the board."

Michigan has set an important example. Despite releasing more than 6,000 convicted felons onto its streets, the state has seen per capita violent crime decline by over 10 percent since 2005.

Schrantz also introduced into the decisionmaking processes new academic research to which board members and corrections officials had never been exposed. "It was a whole new language," says Patricia Caruso, Michigan's director of corrections and a former prison warden. Often, the research had produced remarkably counterintuitive findings, calling into question long-held assumptions. Caruso recalls one especially memorable example of this. "Very early on [Schrantz] said to me that there is not a correlation between misconduct in prison and success on parole," she says. "When Dennis first said this to me, I was absolutely aghast." But Caruso says she eventually accepted the logic when Schrantz explained how, for women, unruliness in prison can actually be tied to *success* on parole. "So many women come to prison because they don't have a voice. They're often victims of men abusively

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guiding their actions," says Caruso. "So getting a voice, and being able to tell the correction officer to go F himself, may not be the preferred way of conducting yourself in prison. But it does mean that when you get out you're going to stand on your own two feet ... Those types of things—within the first year, I really got it. I really embraced it."

Meanwhile, Granholm and Caruso gradually replaced every member of the Engler parole board save one. In 2007, after winning reelection and implementing the MPRI statewide, Granholm appointed a former corrections officer named Barbara Sampson as chair of the parole board. "When Barb took over, everything changed," Schrantz says. Sampson, who previously worked at a nonprofit for battered women, believed strongly in the MPRI and welcomed the new criminal justice research that Schrantz was recommending. When we met in her office in Lansing, her desk was cluttered with folders, books, and binders containing various academic literature on incarceration and recidivism. "We know what we think we know intuitively and with our gut," Sampson said. "But what does the evidence really say?"

Factors such as police per capita correlate far more closely with crime rates than do prison sentences, and longer lengths of stay do nothing to increase the likelihood of success on parole.

Perhaps the most striking example of how instinct and evidence can diverge concerns sex offenders. Historically, sex offenders have been denied parole far more often than other types of inmates. When Sampson became chairperson, the approval rate for sex offenders was a mere 10 percent. Last year, however, the board approved 50 percent of the sex offenders it considered for release. "For years, the board lumped all sex offenders into one category—evil predators," Sampson explains. "[But] within the broad category of sex offenders, there are groups. And what we had to do as a board was educate ourselves about the different characteristics of the different groups. For instance, individuals who commit incest, when you look at the data, the reoffense rate is very low." While the spike in paroled sex offenders has been a particularly hard sell, even with the governor ("She's no big fan of releasing sex offenders," Schrantz says. "She had her way, we'd castrate them"), the approach has so far been allowed to continue, without any obviously adverse effects to public safety. Since 2005, reported rapes in Michigan are down 13 percent.

Despite the success of the MPRI, there are, unsurprisingly, many opponents of Michigan's new parole practices. In January, the Prosecuting Attorneys Association of Michigan held a series of coordinated press conferences across the state, enlisting victims and their families to warn against the danger of paroling violent offenders. One attorney likened the spike in paroles to "a fire sale." Another called it "death for dollars." Mike Cox, a Republican and former marine who succeeded Granholm as attorney general in 2003 and now hopes to succeed her as governor in November, recently established a Parole Objection Project in his office. "These felons should not see the light of day, and I will do everything I can to ensure they won't," Cox promised.

The press has reinforced such sentiments. The *New York Times* has characterized the Michigan parole surge as a compromise of public safety brought on by the state's deficit ("Safety Is Issue as Budget Cuts Free Prisoners" was the headline of a front-page story last March), largely glossing over the belief of reformers that the MPRI is an attempt to improve correctional outcomes. Local outlets have often gone much farther in stoking public fears. When I met with Larry Payne, an MPRI community coordinator in Saginaw, he'd just spent the week managing the fallout from recent television coverage of a Bay City house the MPRI had contracted to accommodate sex offender parolees. "They're scaring the hell out of everybody," Payne said of the local news station. People in Bay City "were totally under the impression that we were putting pedophiles on the bus stop to snatch their kids."

While resistance to Michigan's new parole policy brings out an inevitable quotient of opportunism—no candidate ever lost a political race for being tough on crime—there is no doubt that many of its opponents are informed and sincere. One of these is Mike Thomas, Michigan's director of the National District Attorneys Association, whom I met at the Saginaw County Courthouse. Every year since 2003, the FBI has ranked Saginaw the most violent city in the nation in per capita crime, and not coincidentally its populace is rapidly fleeing (more than 10 percent have moved elsewhere in the past few years). For Thomas, who grew up in Saginaw and has been its elected prosecutor for more than two decades, Michigan's crime rate is a deeply personal concern. His views are shaped by victims he considers neighbors and crimes he remembers daily in all their gruesome specificity. And he worries that his city will lose even more residents and businesses if more prisoners hit the streets.

"Just because somebody is in prison for safe cracking doesn't mean that they can't commit a violent crime," Thomas told me when I questioned the effectiveness of longer lengths of stay in prison. "Why do I say that? Because Keith Wood murdered his fifteen-year-old cousin when he got out of prison on his third parole release for the nonviolent offense of safe cracking and burglary. I tried the case a couple years back. He killed her because she had the audacity to have a young black boyfriend from Heritage High School in Saginaw Township. Now, after he was convicted of first-degree murder—'cause he got caught with her nude body in the back of his trunk as he was

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driving without any lights in the middle of a snowstorm—January comes to mind—then he got religion in jail and told the chaplain there that he'd done a lot of other things. He confessed to another murder that he'd done in our county while he was out on parole for nonviolent safe cracking—a black night manager at a Burger King out in Shields, Thomas Township here—and two or three other murders in Michigan and other states. He also confessed to literally hundreds of other arsons, robberies, burglaries."

Such stories of parolees who return to crime—and there will always be a proportion of parolees (as well as ordinary ex-prisoners) who return to crime—pose an immense challenge to the MPRI. One incident was horrific enough that it threatened to derail the program altogether. In 2006, a Michigan parolee named Patrick Selepak brutally tortured and murdered three people in New Baltimore. Two of the victims were a young husband and wife. The husband was intravenously injected with bleach while the wife, who was pregnant, was strangled. "The board was distraught," says Patricia Caruso. "When you see someone you paroled go out and kill innocent people, you question every decision you make." For a while, the board cut down dramatically on parole approvals, and Michigan's prison population subsequently increased by more than 2,000.

By the end of 2007, however, the parole board had resumed its earlier pace of approvals. "You had Dennis [Schrantz] and you had the director and everybody doing all of this evidence-based, data-driven work," Sampson remembers. "And steadily dangling that work, saying, 'Board, take a look at this information. This is a study that came out of Kansas. Look at the Pew report.'" Caruso, who still has all the *Detroit News* and *Free Press* clippings about Selepak in her office, says she was determined not to let "one bad crime become the namesake for everything. It has not stopped us from what we're doing. It does stop other people. But it has not stopped us."

Schrantz is adamant about the merit of statistics and the danger of focusing on case studies. When I mentioned some of the stories Mike Thomas had told me, he said, "What these people do is they're gonna want to talk about cases. They should be forced to talk about trends and large numbers of people. That's how you run systems. Don't judge us one case at a time. Judge us by the system." And trends do bolster Schrantz's case. Since crime in Michigan is decreasing, it is reasonable to assume that the current allocation of resources for crime control are, despite what can sometimes be terrible failures, making the state safer than it was under the old system.

Ultimately, aside from concerns over reoffending parolees, a different problem may pose the greatest threat to the MPRI: Michigan's severe recession. In reporting across the state, I spent time with numerous MPRI parolees, many of whom had done remarkably well: a former gang member who now works at Habitat for Humanity, a former sex offender who now is a line cook, a former crack addict who now balances two jobs while she attends college, and a former murderer who now takes care of the crocuses and petunias outside his parole office. But what most of them had in common was employment. Absent that, a critical anchor is missing. Michigan's unemployment rate has reached almost 13 percent, 3 points above the national average. As Mario Dewberry, Wayne County's reentry coordinator, says, "An individual who's only been locked up for the last three years, they're coming out to a completely different world. There's been so many instances of: The aunt I used to stay with, whether they were renting or paying a mortgage, the house is no longer there. My uncle who had a lawn care business or worked for GM? Gone." Ironically, the same dire economic straits that spurred Michigan to reduce its prison population in the first place might also endanger the MPRI's long-term success.

Still, Schrantz and his colleagues in Lansing are optimistic. Perhaps more encouraging, so are many of the parolees I met with. While prison reform advocates complain that opponents and the press focus on frightening anecdotes rather than statistics, I found myself impressed less by Schrantz's data than by the individual stories of successful parolees.

Today, mentally ill parolees get individually tailored, long-term master care plans. Only 28 percent of them return to prison, compared with 50 percent prior to the new reforms.

In Kalamazoo, Michael Brown, a Korean War veteran with a graying flattop, grayer mustache, and several missing teeth, told me he had been in and out of prison six times. Five of those times it was the same parole agent who sent him back on technical violations. This December, he was released through the MPRI. Now Brown has a new parole agent who couldn't be more different, and Brown has changed, too. "Anything I do, if I'm the slightest bit worried about getting in trouble, I talk to him first," Brown told me. "In the past, you didn't have that. They were there to monitor you and they didn't really care about you. They didn't care if you had problems. They didn't care if you wanted to reconcile with your family. The best you could get out of a parole officer was, 'See you next month.'"

I asked what things might have been like if he'd had the MPRI during any of his previous paroles. Brown shook his head. "I probably would've never come back. I think things would've been a lot different. I'd probably still be married to the same woman and been able to raise my kids instead of not being there for her or them. It's a world of difference." WM

Luke Mogelson is a freelance writer living in Brooklyn.

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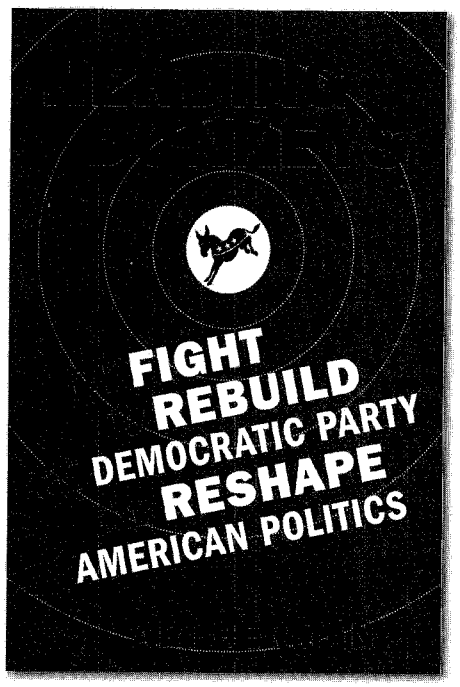
Surge Behind



Herding Donkeys: The Fight to Rebuild the Democratic Party and Reshape American Politics

by Ari Berman

Farrar, Straus and Giroux, 302 pp.

An ill-timed but illuminating romp through the golden age of grassroots Democratic enthusiasm—a whole twenty-four months ago.

By Walter Shapiro

These days it is hard to conjure up the marzipan dreams and sugarplum fantasies that wafted through the liberal firmament (and the publishing world) in the weeks following Barack Obama's election. Middle-aged adults not prone to gush were describing the election night rally in Grant Park as the best night of their lives—a statement that was, of course, a depressing indictment of their romantic history. Obama operatives like David Plouffe and David Axelrod were hailed as the greatest strategists since Sun Tzu dined alone. And a president elect who had been in the Illinois state senate just four years earlier was routinely being compared to Abraham Lincoln (remember the *Team of Rivals* obsession?).

Herding Donkeys: The Fight to Rebuild the Democratic Party and Reshape American Politics, Ari Berman's paean to the Democratic Party's grassroots activists, reads as if it were commissioned or at least shaped during this heady hope-y change-y period of liberal wish fulfillment. But now—on the eve of another long winter of Democratic discontent, the just-published book inspires a sense of temporal displacement. It seems off-key and out-of-step with what we know, akin to a Dick Cheney biography that ends with him serving as a triumphant secretary of defense during the Gulf War.

Berman, a youthful writer for the *Nation*, knows his politics, and it shows. He gets extra credit from me, an aging and creaky boy on the bus, for somehow gleaning that Richard Nixon in 1960 ran the last fifty-state presidential campaign. His account of the 2004 Howard Dean campaign, built around interviews with the right people, is smart and nuanced. Berman has also admirably gotten out of Washington and therefore understands—in a way that most TV talking heads do not—how Obama managed, for example, to carry Indiana, a state that last went Democratic for president in the 1964 LBJ landslide. (The Hoosier explanation: Obama won the state by putting organizers into suburban Republican bastions like Hamilton County and thereby picking up more than 20,000 votes simply by sharply cutting the GOP's 2004 margin.)

But—and this is the problem with maladroit political timing—*Herding Donkeys* has been corralled by fate. At a time when the troubadours and troublemakers of the Tea Party movement are transforming the Republican Party while dispirited Democrats teeter on window ledges, it is a curious exercise to relive the organizing triumphs of 2006 and 2008. In his chronicle of fired-up local Democratic activists in unlikely places like rural North Carolina and militia-mad Idaho, Berman never directly confronts the question of whether this enthusiasm could ever have been sustained once convenient villains like George W. Bush were frog-marched offstage. I remember well that the anti–Vietnam War movement—another epic burst of left-wing activism—eventually morphed into the Yuppified

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Eighties once deprived of the catalysts from the military draft and Richard Nixon's painfully awkward V for Victory hand gestures.

At its core, though, *Herding Donkeys* is a well-argued and convincing defense of Howard Dean's legacy as chairman of the Democratic National Committee and his fifty-state strategy, which was often derided by Washington consultants. Dean's predecessor Terry McAuliffe was, in Berman's words, "great at raising money and loved appearing on TV, but didn't care much about the nuts and bolts of grassroots politics, which is precisely where Republicans had been kicking donkey's ass." (The last clause in the prior sentence made me wince, but Berman's prose is usually better than this.) Dean was elected DNC chairman against ragtag opposition in early 2005, in part because of his bold promise to send organizers to all fifty states and help fund the state parties.

Many rank-and-file Democratic loyalists probably naively believe that this is what the DNC had been doing for decades. But, in truth, the national party was little more than a money-laundering machine collecting donations from the wealthy and ladling them out to favored candidates, consultants, and causes. Dean's enthusiastic embrace of DNC grassroots organizing was, in many ways, more radical than any policy position he espoused during his blast-off-and-crash 2004 presidential campaign.

Dean's bottom-up vision inevitably led to an epic confrontation during the run-up to the 2006 elections with Rahm Emanuel, then the head of the Democratic Congressional Campaign Committee. "Rahm wanted Dean to give him $150,000 to $200,000 each for forty targeted House races," Berman writes. "When Dean insisted that DNC money be spent solely on the fifty-state strategy, Rahm flew into a rage." Dean was, in retrospect, on the right side of history, since Emanuel (despite his overhyped reputation) had an uncanny knack for anointing losing House candidates like Tammy Duckworth, a disabled Iraq War veteran, from his home state of Illinois. Chuck Schumer, as the head of the Senate campaign committee, had a less tempestuous relationship with Dean and a far better track record in the breakthrough 2006 elections.

At this juncture, I should mention that I am writing this review in a hotel room in Omaha where I am also reporting a story about Democrat Tom White's drive to knock off six-term GOP House incumbent Lee Terry in the Nebraska congressional district that Obama—against all odds—carried in 2008 to pick up a lone electoral vote. The White campaign attributes its ability to be competitive in Nebraska in a terrible year for the Democrats to—wait for it—Howard Dean's fifty-state strategy and, to a lesser extent, the 2008 Obama campaign.

Having made Dean his hero, Berman slides periodically into mawkish hagiography. In Berman's telling, the saintly Dean refused to discuss his confrontation with Emanuel, but (warning: shocking revelation ahead) "Rahm exercised no such restraint. He knew all of Washington's best reporters and didn't hesitate to tell them what a disaster Dean was." Describing the Democratic sweep on election night 2006, Berman writes, "There would be no confetti or heralded embrace with the party's glitterati for the Democratic chairman. He was still an outcast in his own party." Berman also misses the political pork-barrel aspects of the fifty-state strategy: by funneling money to the state chairmen—the people who elected him DNC chief—Dean was buying loyalty from the only voters who could oust him from office before the 2008 election.

As Berman carries the story up through the health care debate in Congress, the *Nation* writer suddenly glimpses the downside of the fifty-state strategy in the inherent caution and conservatism of Democrats elected from House districts that had been mostly ignored before Howard Dean. "The Republicans had become obsessed with ideological purity, losing their majorities and struggling in the wilderness as a consequence," Berman declares, "but Democrats, if anything, weren't ideological enough ... A whole crew of Democrats now roamed the halls of Congress ... standing for little else but political expediency."

The obvious counterargument to Berman comes via a slight revamping of a famous Sophie Tucker line: "I've been in the majority and I've been in the minority—and, believe me, being in the majority is better."

If three or four years truly represent the life expectancy of left-of-center political passions in troubling times, then maybe the Demorats should depend on their well-paid Washington consultants more than the mercurial moods of grassroots amateurs.

In his epilogue (the book does ramble through Obama's first year in an effort to give it contemporary relevance), Berman reluctantly acknowledges how evanescent it all was: "The permanent campaign—especially an insurgent one—gets old after a while. Many Obamaphiles ... [who] still supported the president, by and large, had understandably wandered back to their previous lives."

This passage is telling. If three or four years truly represent the life expectancy of left-of-center political passions in troubling times, then maybe the Democrats should depend on their well-paid Washington consultants more than the mercurial moods of grassroots amateurs. (By the way, I share many of Berman's

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frustrations with the Democrats' cadre of professional operatives who force candidates to robotically repeat phrases like "working families" and mouth promises to "keep fighting for you.") Even Berman's offhand comment that these Obama acolytes continue to back the president *by and large* is an acknowledgment of the unreasonable expectations of the summer soldiers of politics.

Perseverance (or, as they called it in my elementary school, stick-to-it-ive-ness) is an underappreciated virtue in politics. Far more important to the conservative movement than, say, Fox News or the *Wall Street Journal* editorial page is their hard-won understanding (dating back to the Goldwater years) that lasting political change often takes decades, if it happens at all. Liberals, in contrast, often combine the patience of a Hollywood agent with the pessimism of Schopenhauer—and flee from the tawdry compromises and inevitable disappointments of politics after a few election cycles.

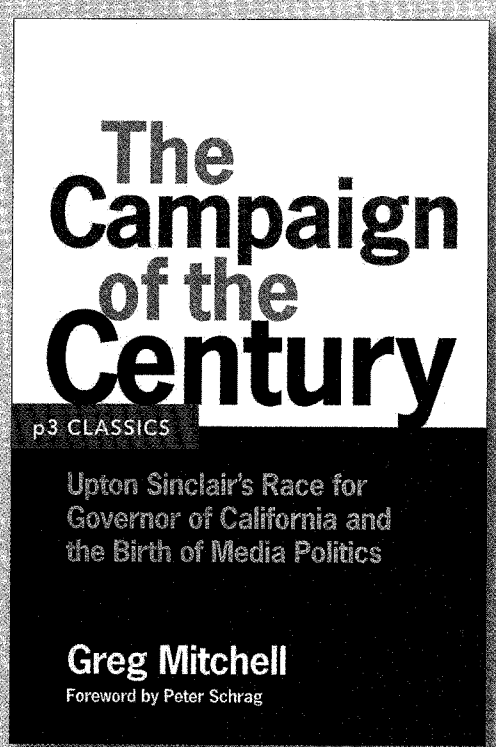
Liberals, who often combine the patience of a Hollywood agent with the pessimism of Schopenhauer—flee from the tawdry compromises and inevitable disappointments of politics after a few election cycles.

My most indelible memory of the 2008 campaign was the infectious optimism in Obama's America—particularly, the people waiting endlessly in an early-voting line in Columbus, Ohio, on the Thursday afternoon before the election. They included (and I went back to check my notes): a social worker reading her book club novel; a semi-employed cellist; an African American engineer who methodically calculated his time in line to vote (two hours, twelve minutes); a pair of librarians from the suburbs who introduced themselves as life partners; a financial services consultant for an insurance company taking her eighty-year-old mother to vote; a nineteen-year-old cosmologist with pierced eyebrows; and a mother-and-daughter pair of hospital nurses.

Ari Berman obviously loves this up-with-people side of politics as much as I do. I just wish that the story he tries to tell in the sadly mistimed *Herding Donkeys* had a happier ending. WM

Walter Shapiro, a *Monthly* contributing editor, is a senior correspondent for *Politics Daily*. He is also the author of *One-Car Caravan*, a chronicle of the opening-gun phase of the 2004 campaign and the rise of Howard Dean.

A Classic Is Back



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In 1934, voters hoping to turn the tide of the Great Depression backed an unlikely candidate for governor of California: Upton Sinclair, muckraking author of *The Jungle* and lifelong socialist. Alarmed, Sinclair's opponents launched an unprecedented public relations blitzkrieg to discredit him. The result was nothing less than a revolution in American politics, and with it, the era of the "spin doctor" and the "attack ad" was born. Hollywood took its first all-out plunge into politics. This riveting, blow-by-blow narrative features the likes of Franklin Roosevelt, Irving Thalberg, H. L. Mencken, William Randolph Hearst, Will Rogers, and Katharine Hepburn. *The Campaign of the Century*, originally published in 1993, brings to life the outrageous campaign that forever transformed the electoral process.

Greg Mitchell is the author of *Tricky Dick and the Pink Lady*, *Why Obama Won*, *So Wrong for So Long* and, with Robert Jay Lifton, *Hiroshima in America* and *Who Owns Death*, among other books. He is the former editor of *Editor & Publisher* magazine and now writes the popular Media Fix blog for *The Nation*.

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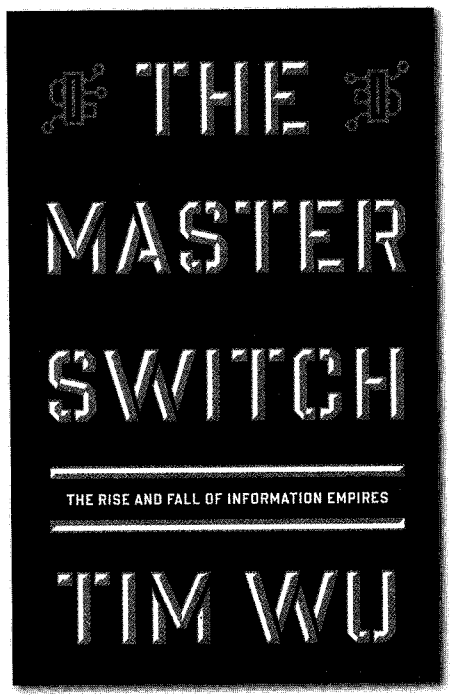
Lines of Authority

"Net neutrality" isn't the only way to keep big telecom companies from controlling what we see, hear, and read.

By Steven Pearlstein



The Master Switch: The Rise and Fall of Information Empires

by Tim Wu
Alfred A. Knopf, 384 pp.

Tim Wu thinks he has discovered a recurring pattern in the history of modern telecommunications.

"The Cycle," as he calls it, starts with a technological breakthrough that allows someone to communicate with someone else better, faster, or cheaper than before. Think of the telegraph, the telephone, movies, radio, television, cable television. Each new medium starts out more as a curiosity, the plaything of inventors and hobbyists. But pretty soon people begin to figure out the potential to change the way business is done or life is lived. Before long, we are in that messy, disorganized, exciting phase in which lots of people are trying lots of creative ways to harness the new technology.

At some point it becomes clear that the new medium works best if lots of people have access to the same network. It also becomes apparent that building out and supporting these networks takes lots of money. And so what starts out as a creative, democratic, and fragmented new medium soon falls under the control of a handful of well-financed industrial conglomerates. To fight off rivals, these conglomerates win the favor of regulators and politicians, or wage brutal legal warfare to prevent or delay the introduction of new ideas and disruptive new technologies. Ultimately, however, after decades during which consumers and the economy as a whole have been denied the benefits of choice, competition, and freedom of expression, the stranglehold is broken.

Wu's "Cycle" represents a "Manichean contest" between the open and the closed, between unbounded creativity and enforced mediocrity, between free markets and central planning, between vibrant democracy and confining corporate dictatorship. By now you have a pretty good sense of where this is going. Wu's contention is that we are just now at that tipping point when the next generation of vertically integrated conglomerates is about to put the stranglehold on the newest medium, the Internet. Only government can prevent it, by insisting on a policy of "net neutrality," a term Wu coined several years ago and a policy he has championed as chairman of Free Press, a media watchdog group. (The multi-hatted Wu is also a Columbia University law professor and a fellow at the New America Foundation.)

As history, *The Master Switch* is original, insightful, even compelling. Wu skillfully evocates the early years of telephony, when Western Union was on the verge of crushing Alexander Graham Bell's young company until the telegraph giant suddenly found itself the subject of a hostile takeover by financier Jay Gould. Those were the days when who you could talk to depended literally on the network you were on, with competing wires running down the streets of New York and other major cities. In the end, Western Union agreed to exit the new market in exchange for Bell's promise not to contest what it viewed as its more valuable telegraph monopoly. With the financial backing of J. P. Morgan and a strategy of "one company, one system" executed in hard-knuckle fashion by chief executive Theodore Vail, Bell's AT&T used its dominance of the long-distance market to gain control of many of the country's local exchanges. In time, AT&T convinced Washington of the logic of a regulated national monopoly under private ownership and control.

Although AT&T tried initially to dominate the new radio medium, it quickly met its match in David Sarnoff's Radio Corporation of America, which used patent litigation and

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the threat of a government antitrust investigation to force the phone monopoly to divest its broadcast operation. In Wu's telling, it was Sarnoff who imposed the advertising-based business model on broadcasting—"entertainment that sells"—and Sarnoff who convinced the new Federal Communications Commission to consolidate the broadcast industry into a smaller number of more powerful stations that were gradually consolidated into a handful of national networks, RCA chief among them. When an engineer at RCA's laboratories came up with the technology for FM radio, Sarnoff did his best to squelch it, hoodwinking regulators to block its introduction to protect his AM franchise. Sarnoff would successfully follow a similar strategy with television, which came relatively late to the United States, and then only under the ownership of the existing radio networks.

Wu's history of the motion picture business begins with the Edison Trust, which used its patents on the machinery to tightly control who made, imported, distributed, and exhibited the talking pictures. In time, control of the industry was passed back and forth between the studios and the movie theater chains until Adolph Zukor, a rebel distributor, gained control of Paramount and began buying up his own theaters to serve as the exclusive exhibitors of Paramount films. It would take a Justice Department antitrust suit to finally break up this "vertical" integration, but not before the studios had so firmly entrenched themselves that they provide the foundation for today's media conglomerates—conglomerates which Wu contends continue to impose a stifling mediocrity on American cultural life.

In the Internet Age, Wu finds parallels in the AOL–Time Warner merger, which he views as nothing more than a ploy to force millions of AOL customers to consume Time Warner's content. He sees it in the unholy alliance that forces Apple enthusiasts to use AT&T's wireless network and Apple-approved applications and services for their iPhones and iPads. And he sees it in the proposed merger of cable giant Comcast with NBC Universal.

In the age of convergence, with telephone, television, movies, e-mail, and virtually all information now about to travel on the Internet, Wu argues that it is more urgent than ever that the network be "neutral," lest a handful of companies come to control what we see, what we buy, and what we say. To that end, he proposes a set of "separation principles" that would prohibit any company that is in the business of carrying Internet traffic from also selling content or services, or selling preferential carriage to companies that do. Only such "structural" prohibitions, he argues, can assure the Internet's vibrancy.

If there is a problem with Wu's stylized history, it is that he has allowed it to become histrionic. While he provides a compelling reminder of the monopolist instincts of communications and media companies, Wu largely ignores the possibility that the underlying economics of these industries might tend them naturally toward consolidation, vertical integration, and winner-take-all competition. In fact, there is plenty of economic literature to suggest it.

Running through Wu's history is an assumption that, if commercialization and consolidation had not occurred, the quality of service, news, and entertainment programming would have been vastly superior, even during what are often remembered as the "golden years." For those of us old enough to have experienced some of those years, the proposition that the United States was a telecommunications backwater and cultural wasteland is as unconvincing as it is hypothetical.

Moreover, the examples Wu gives of countries that had better service and higher-quality entertainment were all places where the industry was under government ownership and control—exactly the opposite of the decentralized, free-market model Wu advocates.

In arguing for "separation principles" to prevent vertical integration, Wu argues that the goals of net neutrality are simply too important to entrust to the discretion of regulators, whose judgments may be flawed or compromised by powerful special interests. And yet his history is full of examples of regulators intervening to break up monopolies and stop their uncompetitive practices, from Western Union and A&T to Paramount and Microsoft.

Indeed, while there are examples of vertical integration that squelched competition and delayed innovation, there are others where it enhanced it. Wu himself cites the recent example of Google's getting into the telephone space with its Android software. Competition between business models can be as important as competition among companies with similar ones. Inflexible rules governing which companies can do what not only would hinder that kind of competition and experimentation, but inevitably invite unproductive game playing by companies hoping to get around those restrictions.

One can certainly read Wu's history and conclude that media giants never miss an opportunity to try to prevent and delay the introduction of disruptive new technologies that threaten their monopolies. You can also read it and conclude that, in the long run, these strategies inevitably fail because our political and economic systems won't tolerate them for very long.

Which brings me to my biggest beef with *The Master Switch*. Like most conspiracists, of the right as well as the left, Wu doesn't have much faith that the rest of us will recognize, let alone protect, our own interests. Underlying both his history and his prescription for net neutrality is an unspoken assumption that consumers and citizens are mere putty in the hands of corporate manipulators, who maximize profits by feeding us crap, denying us choice, and restricting our freedom of expression. So blinded are we by their technological wizardry that we don't even know what we're missing.

In the brave new world Wu conjures up, the handful of vertically integrated giants who end up controlling the Internet will determine "who among us gets heard or seen and when, whether it is the aspiring inventor or artist or candidate." That doesn't sound like the America I know or experience, and it's hard to believe that American consumers or voters would stand for it for very long. This kind of end-of-civilization-as-we-know-it argument may be well suited for grassroots advocacy, but it undermines the credibility of Wu's legitimate concern that "the Cycle" is about to be repeated. WM

Steven Pearlstein is a business and economics columnist for the *Washington Post*.

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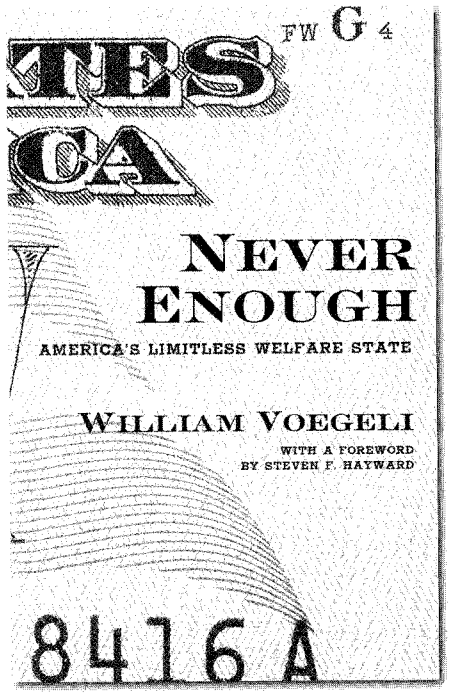
Liberalism Without Limits

When will we know that government has grown large enough? When our freedom is restored.

By John E. Schwarz



Never Enough: America's Limitless Welfare State

by William Voegeli
Encounter Books, 280 pp.

Liberalism, once dominant in American politics, has for decades been in retreat. Even with Democrats in control of two branches of government, liberalism today is locked in a standoff against a deeply flawed conservatism. How did it come to this? That is the underlying question of *Never Enough: America's Limitless Welfare State*, a thought-provoking book by William Voegeli, a visiting scholar at Claremont McKenna College and a former program officer at the conservative John M. Olin Foundation.

Voegeli argues that the public's loss of confidence in liberalism is rooted in a failure by liberals to define the limits of government. "Liberal rhetoric," Voegeli points out, "never engages in this issue: what would be the size and nature of the welfare state that was not contemptibly austere, that did not urgently need a larger budget and a broader agenda?" Since liberals haven't set limits on government, voters have been forced to do so instead. At the same time, many conservative ideologists advocate what amounts to the complete dismantling of the welfare state (a course of action that Voegeli, himself a conservative, considers neither viable nor decent). The result has been demoralizing gridlock.

Voegeli contends that much of the trouble began with Franklin Roosevelt in a 1932 speech that is sometimes called the New Deal Manifesto. "The task of statesmanship," Roosevelt declared, "has always been the re-definition of [unalienable] rights in terms of a changing and growing social order." Having claimed such power, FDR and his allies devised a "second Bill of Rights," included in which was the right to a living wage, the right to a decent home, the right to adequate medical care, the right to a proper education, and the right to protection from the economic fears of old age, sickness, accidents, and unemployment. These rights, FDR suggested at times, were drawn from each individual's "right of equality in the pursuit of happiness."

By doing this, says Voegeli, the architects of the New Deal were creating a "living Constitution." In the past, the "interpretation of a Constitution of enumerated powers meant to secure inalienable rights had been a matter of applying timeless principles to changing circumstances," writes Voegeli. "A living Constitution denied the existence of timeless principles" and left the power of government, potentially, entirely open-ended and without limit.

Many liberals recognize the perils of mutable "rights" secured by ever-expanding government, but, says Voegeli, they tend to devote their energies to justifying the expansion of government rather than indicating where it all stops. For example, some liberals mount an appealing defense of the welfare state by evoking the greater common good, a line of argument that focuses on the need to harmonize individual rights with the larger public interest. Voegeli correctly observes, however, that this approach fails to set any premises either for defining what the greater common good should be or for setting appropriate boundaries on it.

Having established liberalism's continuing tendency to expand the state, Voegeli proposes an alternative vision for the role of government in our economic lives.

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It starts with the premise that "a decent society is obligated to prevent the small minority of citizens who are chronically unable to fend for themselves, and the larger minority occasionally and transitionally unable to do so, from leading miserable lives." It is to this minority of citizens, says Voegeli, that government assistance must be available, not to the more fortunate majority. While Voegeli offers no precise agenda, it's fair to deduce that in his ideal polity programs like Social Security and Medicare, which now go to everyone, would be subject to means testing. Many other programs, such as welfare assistance or federal aid to education, would be more seriously means-tested than they now are. These positions are not inconsistent with some Tea Party rhetoric and indeed are reasonably close to the "roadmap" for future cuts in government that Rep. Paul Ryan, the top Republican on the House Budget Committee, has been touting to much fanfare in conservative circles.

Our country would be far better off if liberals, instead of losing elections, would set forth a liberal vision of a welfare state with clear limits, all with an eye to the bedrock founding principles of the nation.

Who is in "the small minority" that Voegeli describes, however, isn't clear, nor is it explained why a decent society is obliged to assist the worst off and no one else. If liberals fail to outline a principle by which to limit the welfare state, so too, arguably, does Voegeli. Still, since liberals clearly call for a larger welfare state than conservatives do, Voegeli can perhaps be excused for placing the onus solely on liberals to explain where it ends. As for conservatives, their task, as Voegeli sees it, is to insist that liberals spell out when "the welfare state has done all we can expect of it and can no longer be beneficially expanded ... or make them pay a political price for refusing to."

In one sense, Voegeli's call to conservatives is unnecessary: liberalism has already paid a severe political price for its shortcomings, to the political advantage of its opponents. Still, the nation would be far better off if liberals, instead of losing elections, would meet the challenge Voegeli lays down: to set forth a liberal vision of the welfare state that does the job and at the same time establishes clear limits on itself, all with an eye to the bedrock founding principles of the nation.

To accomplish this, liberals must return to the notion of liberty, or freedom. Liberty is the nation's guiding value, and its principles, grounded in natural law, are what still lie at the heart of modern liberalism. They undergird the most fundamental liberal ideals and delineate both the role of and limits on liberal governance.

Perhaps the most ancient natural right of freedom is that of economic independence. Only if you can earn your daily bread without undue dependence on the consent of others can you really have freedom of action. That's why freedom and economic independence are intertwined. To philosopher John Locke, economic independence in the natural condition meant having sufficient access to the commonly owned earth to provide the usual living of the time through one's own efforts. Locke believed strongly in the ownership of private property, but the right was expressly bounded, based upon enough and as good being left for all others.

While the conditions Locke placed on the ownership of private property in the context of liberty are no longer as well remembered as they should be, they were well understood at the time of the nation's founding. To Thomas Jefferson, the natural right of independence required that each man have sufficient means to earn a decent livelihood through his efforts. To this end, Jefferson advocated that government grant a fifty-acre homestead from the public lands, enough to support a customary livelihood, to each and every citizen who had never possessed such. As for the Declaration of Independence, the most famous of the self-evident truths contained in Jefferson's own drafting of the Declaration asserted that "all men are created equal and independent." The newly enacted Bill of Rights of Virginia and several of the other states proclaimed this same idea. George Washington, James Madison, and John Adams all held similar views. Abraham Lincoln later brought Jefferson's vision to statutory life through passage of the Homestead Act and other reinforcing federal economic programs.

FDR's declarations of rights were therefore less radical than Voegeli seems to believe. Rather than inventing new rights, or undoing old ones, Roosevelt was simply applying the unalienable natural rights of liberty as understood by Locke, leading Founders, and Lincoln to new conditions. The frontier had long since been closed. "Fifty acres and a mule" could no longer be offered to every willing citizen. Modern Americans needed alternative ways to achieve the economic independence upon which genuine freedom relies. "True individual freedom cannot exist without economic security and independence," Roosevelt declared in advancing the "second Bill of Rights." "Liberty requires opportunity to make a decent living according to the standard of the day, a living which gives a man not only enough to live by, but also something to live for."

Such principles had to be translated into a concrete course of action. Lacking land for the millions of Americans who were shut out of work by market forces, Roosevelt created something else: a modern welfare state. The expanded role of government would counter the expanded role of remunerative employment and market condi-

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tions in the post-frontier era. If most workers were to be the employees of someone, then they must have not only effective education and training available to them, but also sufficient employment opportunities to earn at least a minimally customary living and get ahead. In cases of a dearth of opportunity, there must be provision to tide over those without work. For those especially vulnerable to market caprice, such as the old or the infirm, some form of social security should be made available. In keeping with the principles of freedom, all programs, as much as possible, were to be tied to individuals' own work history, as unemployment insurance and Social Security both exemplify.

Roosevelt understood that economic independence also included the right of every man to secure the fruits of his labor. The vaunted Adam Smith, who strongly influenced the Founders, expressed the principle this way: "It is but equity that they who feed, cloath, and lodge the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, cloathed, and lodged." Market forces often diverge from this principle, and, in such cases, only government can serve as a corrective mechanism, by, among other things, setting minimum wages, establishing wage subsidies, encouraging and enforcing collective bargaining to help pay keep up with workers' productivity, and instituting progressive taxation. These actions might raise the hackles of conservatives, but freedom relies on basic societal equity, which includes the principle that sufficient economic opportunity be available to all. The New Deal was an attempt—often successful, sometimes not—to restore this first principle of freedom after decades of erosion by economic injustices that had developed during industrialization and intensified during the Great Depression.

With respect to the degree of action taken by the state, there is a crucial principle of liberty that speaks to the appropriate size of government. The principle is that government must intervene no more than required to get the job done. Freedom is harmed when government taxes or regulates its citizens more than is necessary, such as if indiscriminate funding formulas were to send federal tax dollars to school districts that are already well-off. By the same token, however, freedom is harmed when government taxes or regulates less than is necessary to meet a principle, such as when schools are left without enough money to purchase updated textbooks or standard equipment. In sum, freedom does not call for small government. Rather, it calls for the smallest government that remains able to fulfill the principles of freedom. That is what the ideal of "limited government" means. Recall that the Founders themselves replaced the weak Articles of Confederation with a far more extensive and powerful federal government based on a consensus that more government was necessary for more freedom.

Voegeli surely agrees with the notion of government being as large but no larger than needed. That is why he proposes means-testing many of the benefits provided by today's welfare state—to make sure that only those in need, and not those without need, get assistance. When we step back to examine the functioning of our markets as a whole, however, we see that Americans by the scores of millions do not enjoy the economic freedom envisioned by the Founders. While the welfare state must do no more than is necessary to remedy this problem, it must also do no less.

And the problem is severe indeed. More than one-quarter of all employed Americans—nearly 40 million workers—are paid under $11 per hour, which is to say less than what is widely considered to be the lower limit of a living wage. The vast majority are white and aged twenty-five to sixty-four, many of them with some education beyond high school. Even in the good times, the proportion of employed workers paid less than a living wage hasn't dropped beneath 20 percent in over forty years. Then there are Americans who are doing even worse: those with no work at all. Today, the unemployed make up another 10 percent of U.S. workers. Finally, there are some 10 million workers who are employed only part-time, even though they seek and need full-time work. Unless we are to regard fully one-third of all workers in the American labor force as undeserving, there is an immense gap between Jefferson or Lincoln's understanding of true liberty—under which every willing citizen has access to the proverbial fifty acres—and the reality left by market forces.

The most ancient right of freedom is that of economic independence. Only if you can earn your daily bread without undue dependence on the consent of others can you really have freedom of action. That's why freedom and economic independence are intertwined.

If that isn't dire enough, we must also consider what the *average* American worker, the man (or woman) in the middle, has had to contend with. He has gotten almost no real pay increase since 1973—barely 10 percent over those thirty-seven years—despite an 80 percent improvement in worker productivity during that same time. Not only did this fuel the escalating debt that caused the present economic crisis, as the economy came to rest upon a foundation of swelling debt in place of rising pay; it also violated Adam Smith's principle about equity, under which a worker enjoys the fruits of his labor. It was during

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this stretch that the average annual pay of the top 1 percent of Americans rose from $194,000 to $576,000 as measured in today's dollars, a real pay rise of greater than 180 percent and a growth rate eighteen times faster than for the average worker. Just as happens when the minimum wage is raised at the bottom end (which conservatives tend to oppose), the billions in salary increases at the top end are passed on to consumers in the prices they are charged. To support the skyrocketing hike in annual compensation for the top 5 percent, which now costs a cool $1 trillion more than in 1973, the average American household pays a hidden premium of thousands of dollars per year today even as its own wages have flatlined.

FDR's declarations of rights were less radical than his detractors seem to believe. Rather than inventing new rights, or undoing old ones, Roosevelt was simply applying the natural rights of liberty as understood by the Founding Fathers to new conditions.

All of this is to say that untrammeled market forces have failed the most basic principles of freedom. Perhaps this was to be expected in an era of a mounting oversupply of labor, brought on by the baby boom and its shadow, combined with a steep decline in union power. But with such a wide chasm between the routine operation of market forces and the fundamental principles of freedom to which Jefferson and Lincoln—and Roosevelt after them—were deeply committed, it is difficult to means-test or focus existing assistance programs much further. Consider some of the most important programs: temporary welfare assistance; wage subsidies to boost pay (the Earned Income Tax Credit); unemployment benefits; food stamps; school nutrition; housing aid; federal aid to education; job training; and health care assistance from programs outside of Medicare. All of these programs are already means-tested and directed primarily to Americans in the bottom third of the income ranks. They also account for a fair proportion of welfare-state spending.

What is mainly left to be considered, then, are two welfare-state giants: Social Security and Medicare. In principle, means-testing them could save many billions of dollars. But, again, principles must eventually be translated into real-world policies, and here the specifics are crucial. Unfortunately, Voegeli gives few details. Would all workers continue to pay in, as they do now, but only some receive benefits? Even if Social Security payments were restricted to those with gross incomes of under $50,000 in retirement, that would still leave about 90 percent of Social Security recipients eligible for full benefits—and wouldn't cut anything close to what Voegeli seems to have in mind. Or would we reduce the size of benefits across the board? That would cause serious hardship to the majority of households, whose wages haven't grown for decades and who have therefore been unable to build significant additional savings for retirement.

And, what of Medicare? In its absence, the access it offers to medical care for the elderly, perhaps the highest-risk group, would be far beyond the financial means of all but a very small proportion of households. Of course, one money saver would be to create incentives to guide our health care spending toward treatments that actually work for patients. The Obama administration advocated doing precisely that, but conservatives cavalierly scuttled it, claiming that it would result in government death panels. So much for discipline and efficiency in government!

If Washington were to tax the nearly $1 trillion in pay hikes to the top 5 percent at a rate of 50 percent and to crack down on tax fraud and offshore tax evasion (which by themselves cost hundreds of billions in tax revenues annually), the combination would suffice to address the structural deficit we currently face, including resolving the long-term financing issues of both Medicare and Social Security. In addition, it would leave enough revenues with which to bolster the creation of millions of new good private-sector jobs and public-sector infrastructure employment. That, along with a more solid minimum wage, encouragement of collective bargaining, and more effective use of the government's contracting power, would start to bridge the gap between the age-old principles of American liberty and the way all too many Americans are now treated by the economy. Sufficient resources to complete the job, and possibly even permit some tax reductions, would result from applying the axiom of freedom that government must be large enough to achieve its proper ends, but no larger. That axiom would be the basis for overdue cuts in areas ranging from health care outlays and farm expenditures to military spending.

Or do we want to leave matters as they are now? Do we want to continue paying as consumers for outsized salaries while ignoring the confining economic struggles that average Americans have been enduring for decades? Do we want to live with such danger to both our liberty and our economy? That's the choice now facing us. That's the choice Voegeli ignores. And that's the choice that liberals, in the name of liberty, are best endowed to make. WM

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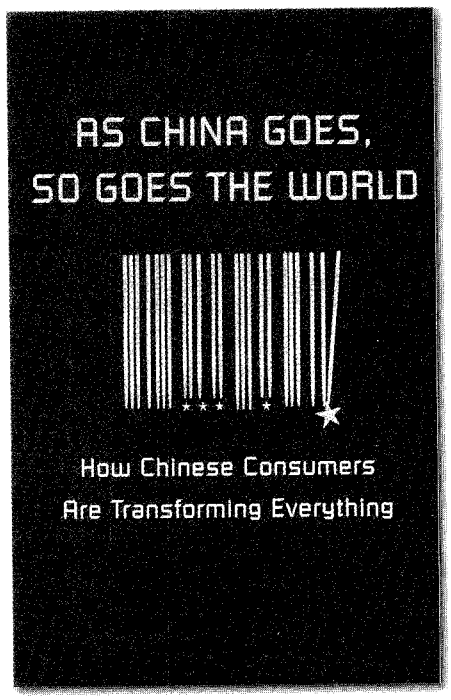
Inscrutable Shoppers

If we want to sell more to the Chinese, maybe we should find out what they actually want to buy.

By Christina Larson



As China Goes, So Goes the World: How Chinese Consumers Are Transforming Everything

by Karl Gerth
Hill & Wang, 272 pp.

Yang Xiao, a thirtysomething Chinese newspaper journalist, lives in one of the new high-rise developments on the outskirts of Beijing. Built six or seven years ago, the forty-story building complex is home to around 2,000 families—mostly young couples, some with children. A sign outside the front gate proclaims the name of the complex, "Rome," which in China today connotes imperial grandeur. The exterior architectural details are a mix of Chinese megablock style and "Old European" flourishes. The main entranceway, for instance, features a two-lane driveway passing under sandstone-colored arches, while the exteriors are adorned with decorative column-and-arch facades and what appear to be wrought iron balconies. Each vestibule boasts high ceilings and chandeliers.

Yang's home has two bedrooms (one for him and his wife, and one for his mother when she stays over), a study, a living-room area, a tiny kitchen that is tight for two people to stand in at one time, a small laundry room, a bathroom, and a basement. It has faux-wood floors and Ikea bookshelves in the study. Everywhere else the furniture is rather ornate, from the rococo bedroom set to the living area with its exaggerated versions of Louis XIV–era dining chairs, with oval backs and plush gold embroidered cushions that match those on the couch.

The furniture is, in reality, all very cheap, Yang confides. He bought it from a relative who is in the furniture resale business. Though it may seem a tad gaudy to Western sensibilities, it feels very comfortable to him in its excess. When I and another half-dozen guests arrived for a little party one summer afternoon, we assembled in the gold chairs and on the couch, pulled up a small plastic rubbish bin, and ate watermelon, tossing the rinds in the bin, and lit cigarettes, ash dusting the carpet. Together we watched the *Sex and the City* movie on a bootleg DVD (it wasn't legally released in Chinese theaters). The party was a "fruit party," because neither Yang nor his wife cooks—ever. They eat out every night.

The point, if I may, is simply that the consumer habits of China's 430-million-strong middle class are ever evolving and continually surprising to foreign observers. For starters, Western ideas of what "goes together" don't apply: Old European architecture is reincarnated in forty-floor high-rises. You can sit on an overstuffed copy of a Sun King dining chair and spit watermelon seeds into a cheap plastic bin. Everyone looks the other way at mundane contraband, like bootleg DVDs. On the one hand, there is in China a love of ceremony and ostentation and obsession with brands that would embarrass many Westerners; on the other hand, the lure of a good deal and the desire to support the businesses of relatives still trumps most else. Yang's home is far roomier than his parents' cramped abode off one of downtown Beijing's *hutongs*, the centuries-old alleyways unique to the Chinese capital. Still, Yang's apartment would be considered a mouse hole by the standards of most Americans living anywhere outside of New York City. While much has been made of China's growing wealth, the average per capita income in Beijing, about $10,000, is still several multiples less than that in Tokyo or New York ($41,300 and $73,000, respectively). And in other Chinese cities, like the western megalopolis of Chongqing, it's only about $3,300.

Understanding what Chinese people will buy is not only a question of culture. It's now a growing preoccupation of international business leaders and the Washington diplo-

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mats and policy wonks who are responsible for setting trade and currency policies. Agricultural forecasters were shocked this year when China imported corn—1.2 million metric tons of it—from the U.S. for the first time in fifteen years. And it isn't simply a matter of wanting to sell more iPods and cars. Many mainstream economists believe China is now leading the world out of global recession with its spending habits. All this, of course, goes hand in hand with the concern of environmentalists, who wonder what impact China's increased consumption will have on the planet and its atmosphere. (Total energy consumption in China, for instance, is expected to *double* by 2030.)

On the one hand, there is in China a love of ceremony and ostentation and obsession with brands that would embarrass many Westerners; on the other hand, the lure of a good deal and the desire to support the businesses of relatives still trumps most else.

Oxford professor Karl Gerth's new book, *As China Goes, So Goes the World: How Chinese Consumers Are Transforming Everything*, goes a long way to helping us make sense of China's rising consumer culture. An exchange student in Nanjing in 1986 who now teaches modern Chinese history, Gerth opens his first chapter reminiscing about how much has changed since the mid-1980s, when he blithely rode his bicycle through the streets of a nearly car-free Chinese city. Fast-forward two decades, and China is now the world's top auto market. To understand the drivers and implications of this transformation, Gerth has spent the last five years gleaning clues from Chinese newspapers, retail reports, and original interviews.

The statistics are eye-popping. For instance: "From just fifty companies manufacturing soap and shampoo in the late 1970s, the growing personal grooming industry now includes some four thousand cosmetics companies and six hundred beauty-related professional training institutes." Indeed, as Gerth reports, spending on cosmetics has ballooned from $24 million in 1982 to $168 billion in 2009. The beauty industry is now the fifth-largest slice of China's consumer economy, after real estate, automobiles, tourism, and IT. This is especially remarkable because not so long ago makeup, skin creams, and hair salons were not only beyond reach, but also scorned as vices of the Western "bourgeoisie." All that has changed, and today Mary Kay Cosmetics is among the most ubiquitous and successful American brands in China.

Today, more cars are purchased in China than anywhere else in the world. When an epic sixty-mile traffic jam occurred on the outskirts of Beijing in September, making international headlines, some Chinese newspapers predicted, not entirely tongue in cheek, that due to congestion it will soon be faster to travel by bicycle in Beijing. Given this current reality, it is especially entertaining to discover, as Gerth's diligent perusal of old Chinese textbooks brings to light, that as late as the mid-1990s Chinese schoolchildren were explicitly taught that American car culture was "unsafe, polluting, and wasteful of natural resources."

As China Goes, So Goes the World has two underlying arguments. The first is that what's happening in China today isn't inevitable, but rather the result of specific government policies. As Politburo member Li Keqiang said in 2008, China's leaders now believe that "boosting domestic demand is essential for propping up growth." In the parlance of economists, China needs to "rebalance" its economy so it's not so dependent on the appetite of Western consumers for goods made in China. Thus, in a country with a historically high household savings rate, cultivating shoppers is now a Communist Party priority.

The second major theme is that China won't ever be just like America. Traditional Chinese thriftiness paired with the imperative most Chinese families feel to save for future and unpredictable health care costs (China's social safety net has many gaping holes) makes it unlikely that China's household savings rate, of up to 50 percent of earnings, will anytime soon approach the American standard, an average rate of just 1 percent in 2010. Further, different cultural and legal norms will create markets for different goods and services in China—such as the paid services of wet nurses, which Gerth describes—that are difficult to imagine as commodities in the West.

As China Goes is an exhilarating read, deeply researched and thoroughly entertaining. Perhaps the only thing this account lacks—at least for those who haven't spent time in China and can imaginatively fill in the gaps—is much detailed description of how people in China actually live. In practice, the consumer transformation over the last three decades has been far more chaotic than statistics alone help us to realize.

With that thought in mind, I return to Yang Xiao. After the fruit party, several of us packed into two cars to drive downtown to a small Sichuan restaurant in Beijing's historic Dong Cheng district. Dining opportunities are limited in the high-rise suburbs, which means residents must use a car to go out to eat. Yang's wife drove, winding her way with astounding calm through the narrow, cluttered *hutongs*. Several times, we barely missed colliding with opening front doors and slow-moving vegetable carts.

At last, we had to stop when we came upon an unoccupied police car parked sidelong across an alley. Unfazed, Yang hopped out of the car, still clutching his wife's pink handbag without visible embarrassment. After signaling to his wife to move a few inches back, Yang turned his attention to the police car, rolling it forward just enough to let us pass. We were on our way. WM

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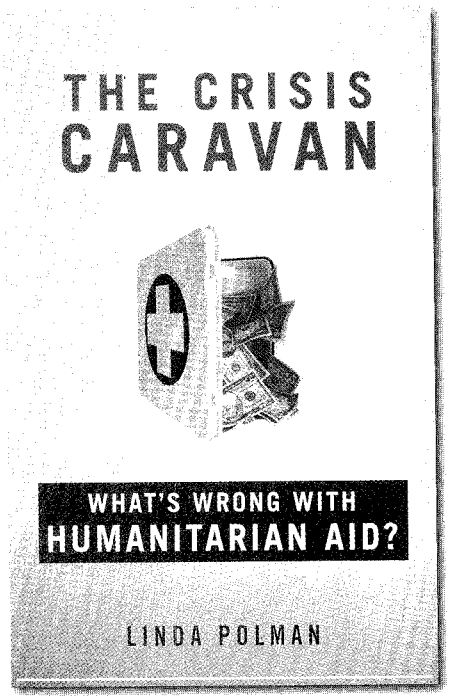
Belief in Relief

Why humanitarian aid isn't the lost cause critics say it is.

By Charles Kenny



The Crisis Caravan: What's Wrong With Humanitarian Aid?
by Linda Polman
Metropolitan Books, 240 pp.

In 1994, Rwandan Hutus slaughtered 800,000 of their Tutsi compatriots in the space of some three months. In response, a Tutsi army invaded Rwanda from bases in neighboring Uganda, precipitating a mass exodus of 2 million Hutus into Tanzania, Burundi, and Zaire. The town of Goma in Zaire alone became home to more than half of that number. The global response to this massive crisis was tragically late and chaotic. Agencies without the experience or capacity to deliver responded too slowly, with inadequate organization and supplies. In the early days of the Goma camps, 50,000 people were felled by cholera outbreaks alone.

Within months, however, a massive relief effort was underway. Around 250 international aid organizations threw themselves into the operation, spending upward of $2 million a day. Life in the refugee camps got considerably better, writes journalist Linda Polman in her new book, *The Crisis Caravan: What's Wrong With Humanitarian Aid?* An inventory of the four main camps at Goma at the end of 1995 found 2,324 bars, 1,060 shops and restaurants, sixty hair salons, thirty tailors, and three cinemas. Artists Sans Frontières was even giving free lessons in basket weaving.

But the relative calm was not destined to last. For two years, the camps were home to not only a considerable chunk of Rwanda's Hutu population but also much of the country's Hutu government, army, and militia. And therein lies a second tragedy of Goma. This government in exile levied a "war tax" on relief supplies, diverting them to provision its army—which continually mounted raids across the border into Rwanda. In the end, Rwanda's Tutsi army entered Zaire and fired on the camps until they were empty. Nearly 600,000 Hutus returned home while another 200,000 fled deeper into the bush to join what has become the bloodiest ongoing war worldwide.

The Red Cross Code of Conduct, created in 1994, had spelled out the standards for relief work that were meant to prevent situations like Goma. The code declares that there is an obligation to help in cases of extreme human suffering—the "humanitarian imperative." Assistance should be neutral, given solely on the basis of need. At the same time, the code lays down the duty of the host government to facilitate entry of staff and delivery of supplies. Many of those working with refugees in Zaire were not Code of Conduct signatories. But even those who were faced a dilemma: when the humanitarian imperative meets a regime that will not live up to its obligations, what then?

That problem is hardly unique to Goma—in fact it is the usual state of affairs in crisis situations. In the modern world, famine is not an act of God; it is an act of war. Thanks to the global food trade and the availability of food relief, willing regimes can ensure that local shortages do not provoke widespread starvation, however strapped their circumstances. Between 1979 and 1984, Ethiopia saw food production decline by 12 percent. Over the same period, Zimbabwe's food production fell by more than a third. An alphabet soup of acronymed relief agencies was available to respond to both shortages. But Ethiopia, embroiled in civil war, saw massive famine—while peaceful Zimbabwe, despite the greater agricultural collapse, did not.

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That civil populations account for as many as nine in ten deaths during modern wars is not merely an unfortunate accident. Relief agencies have to deal with local leadership that is all too often morally bankrupt, reckless, and only in partial control of their sanity. And quite willing to let people die.

Experience from Ethiopia to Sudan does suggest that relief agencies can more or less successfully navigate these situations to bring in nutrition and basic health supplies. But there is often a cost in terms of diverted supplies, and there is a limit to the ability to operate apolitically. What counts as neutral aid cannot be universally agreed upon, and that lack of consensus almost always occurs in areas where the objective need for humanitarian assistance is at its greatest. In Afghanistan, for example, relief agencies have negotiated with the Taliban to carry out vaccinations, but doubtless supplies for the construction of coeducational schools would be less welcome.

In the modern world, famine is not an act of God; it is an act of war. Thanks to the global food trade and the availability of food relief, regimes can always ensure that local shortages do not provoke widespread starvation, if they so choose.

In *The Crisis Caravan*, Polman quotes one "victim of the Afghan War" as complaining, "[E]xpecting the parties to respect humanitarian principles is like calling on a gang of armed muggers to fight by the rules of boxing; it's not just laughable, it's irrelevant." The line was actually written by Nicholas Leader, a staff member of London's Overseas Development Institute, in a policy paper, and he has a point. Especially as more agencies insert themselves directly into conflict situations, and do so to relieve famines or shortages intended by combatants, or support development work opposed by reactionaries, or are being paid by parties to the conflict, neutrality is threatened—and death rates among agency staff go up.

Which brings one to another conundrum: where does humanitarian aid stop and development aid begin? Humanitarian support traditionally covered the provision of food, water, temporary shelter, and non-food items such as basic medical supplies. There has been widespread mission creep toward peace building, post-conflict reconstruction, and sustainable development, including schooling, microfinance, and more. Still, how can relief agencies fulfill their development mission when often very basic civic infrastructure—rule of law, effective government—doesn't exist?

There remains a heated debate within the humanitarian community between "minimalists," who emphasize an engagement limited to immediate relief, and "maximalists," who see a continuum between humanitarian and development engagements.

In the end, the right focus surely depends on circumstances—with a minimalist response more appropriate in conflict situations both where the environment for long-term development is missing and where the benefits of neutrality are at their greatest. A group creating a microcredit operation in a setting of simmering civil war is not involved in humanitarian relief, and in the best of all possible worlds (let alone Afghanistan) it cannot expect to be treated according to humanitarian principles.

Sadly, the incentives of funding act against such distinctions. Donor governments are responsible for much of the pressure on relief agencies to overstretch, by subsuming humanitarian aid under integrated development policies. And so Afghanistan is flooded with resources for "relief" NGOs to carry out long-term development projects.

And there are the budgetary considerations: despite the considerably greater humanitarian catastrophe continuing in the former Zaire, the budgets laid aside for relief in Iraq dwarf those for the Democratic Republic of Congo. Studies suggest that U.S. television coverage of a disaster is considerably affected by where it is happening and what else there is to report on. They also suggest that more television coverage leads to more relief. When funding is capricious enough to depend on slow news days and Caucasian victims, or when agencies accept money from governments or military officials intent on winning hearts and minds as part of a war effort (as in Iraq and Afghanistan), it is hard to argue that relief is being distributed on the grounds of need alone.

Furthermore, focusing on war, flood, famine, and earthquakes is in itself a selection mechanism. Humanitarian emergencies are thankfully rare, concentrated, and usually short-lived events. Take Africa—often seen as the home stable for the four horsemen of the apocalypse. Less than three-tenths of a percent of the population was affected by famine in the average year between 1990 and 2005. And in 2005, only one-half of 1 percent of the population were refugees.

If tens of millions of people are in need of urgent assistance every year, this still suggests that, however telegenic are humanitarian crises, they don't represent the biggest challenges of global poverty. More than 16 percent of children born in Africa die before their fifth birthday, for example. Around a billion people worldwide are malnourished. And a World Health Organization survey of women across ten different countries from Bangladesh to Japan found that half had been subject to physical or sexual violence. The considerable majority of extreme human suffering occurs outside of what is commonly recognized as a crisis situation. Yet the massive explosion in humanitarian funding, which climbed from a little over $1 billion in 1990 to $9 billion by 2008, leads to situations like Goma—where the quality of life within refugee camps is higher than in surrounding areas.

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Into this complex arena of moral and practical concerns, enter *The Crisis Caravan*. Polman's central contention is that relief aid is not only inefficient and corrupt but also sometimes foments, or at least extends, war. In the case of Goma, for example, she argues, "Without humanitarian aid, the Hutus' war would almost certainly have ground to a halt fairly quickly."

The book has considerable faults. *The Crisis Caravan* ignores the widespread success of relief aid in environments of comparative civil peace. Not least, for all of the initial tragedy and delay in reconstruction, the response to Haiti's earthquake prevented the spread of cholera and other diseases, and has reached targets for delivering clean water and nutrition. And in her eagerness to condemn, Polman is willing to attack the relief industry both for doing more harm than good and for not doing enough. At that point the book channels Woody Allen: "The food in this restaurant is awful, and the portions are so small!"

Furthermore, *The Crisis Caravan* is long on anecdote-driven anger, but short on hard evidence, analysis, or answers. Indeed, perhaps the most serious claim of the book—that relief agencies foment conflict—is supported by remarkably little proof. Of all the cases discussed, only in Goma is it really plausible on the basis of Polman's evidence to imagine that aid—even while saving lives overall—might have played a significant role in enabling further violence. And *pace* Polman, John Borton of the London-based Overseas Development Institute, who undertook a comprehensive review of the events in Goma, argues that in "most, if not all, conflicts, the role of humanitarian aid as a source for support for warring factions has probably been slight."

Borton also points out where the true fault lies with regard to the problem of "refugee warriors." According to the 1951 Refugee Convention, the genocidaires should have been separated out and disarmed. The UN estimated this would have taken 5,000 troops to accomplish in Goma, but the troops were not forthcoming—despite appeals by NGOs operating in the camps. Médecins Sans Frontières and one other NGO decided to leave at that point. The rest stayed, reluctantly deciding it was worth aiding the 90 or 95 percent of the camp populations who were not militia or army members at the cost of sheltering the one in ten or twenty who were. The underlying blame lies not with the NGOs but with an international security system that still ranks mass murder in Africa as a problem that can be ignored.

Having said that, *The Crisis Caravan* also points out the waste, corruption, and stupidity that accompanies aid delivered where there is no functioning bureaucracy, little rule of law, and a plethora of relief organizations competing for donor support, many with no relevant knowledge or experience at all.

The response of humanitarian agencies to the events in Goma was the Sphere Humanitarian Charter, which set down minimum standards for the quality of care to be provided to refugees covering areas such as nutrition, water supply, sanitation, shelter, and health services. It committed signatories to attempt to achieve these standards consistently and without favor. But as the earlier Red Cross effort demonstrated, it takes more than a code of conduct to ensure the maximum efficacy of relief aid—and the explosion of amateur relief efforts over the past fifteen years will have done little to improve the situation. Polman's invective would be a useful corrective to thrust into the hands of any bushy-tailed naïfs heading off to a war zone thinking it will be easy to do good.

Experience does suggest some rules to help make humanitarian relief more effective. Give money; don't send goods or food and don't—worst of all—go yourself. Give to agencies with a track record of delivery verified by quality evaluation and transparent operation. And give the aid untied to particular resources (food), causes (orphans), or disasters (this tsunami, but not that earthquake). (Indeed, in order to balance up the incentives that come with so many donors willing to break these rules, perhaps one should avoid giving to agencies who accept *any* tied resources.) Finally, only give for long-term development in environments where there is the stability for such projects to succeed.

Still, for all that these dictates are ignored in practice, relief agencies have often managed remarkable things—and natural disasters usually turn into considerably smaller humanitarian catastrophes as a result. *The Crisis Caravan* takes potshots at hucksters and heroes alike. There are many aid agencies that should be shut down for incompetence and inefficiency. But at the same time many are staffed by knowledgeable people working in impossible circumstances to improve unimaginable suffering with considerable success. And the greatest inequities and failures of relief and development are due to decisions about funding, targeting, and security that rest with donor governments—despite their halfhearted and failed attempts to shuck the burden onto relief agencies themselves. Were Polman to write a diatribe aimed at aid policymaking and UN Security Council decisions about intervention, all too much of it would be well deserved. WM

An inventory of Hutu refugee camps in Goma found 2,324 bars, 1,060 shops and restaurants, sixty hair salons, thirty tailors, and three cinemas. Artists Sans Frontières was even giving free lessons in basket weaving.

Charles Kenny is a senior fellow at the Center for Global Development and a Schwartz fellow at the New America Foundation. He is the author of the forthcoming book *Getting Better: Why Global Development Is Succeeding—And How We Can Improve the World Even More.*

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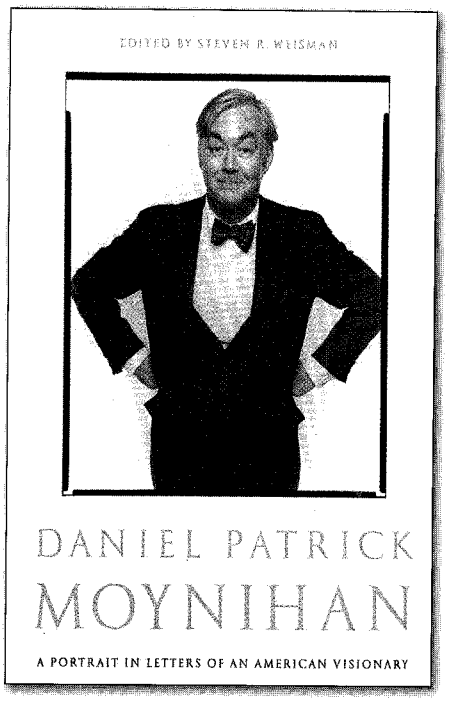
Moynihan's Legacy



Daniel Patrick Moynihan: A Portrait in Letters of an American Visionary

by Daniel Patrick Moynihan and Steven R. Weisman
PublicAffairs, 720 pp.

Great writer, lousy senator.

By Michael O'Donnell

Daniel Patrick Moynihan's main interests were matters of domestic policy like race and poverty, yet his single best and single worst moments occurred at the United Nations, where he served as U.S. ambassador from 1975 to 1976. In October 1975, just before a UN committee passed the terrible resolution declaring that "Zionism is a form of racism and racial discrimination," Israel's delegate and future President Chaim Herzog rose and gave an impassioned speech denouncing "this pernicious resolution," closing with the shout that the Jewish people "shall never forget!" The measure then passed and was sent on to the full General Assembly, where it would be taken up several weeks later. The hall erupted in sustained applause. Moynihan pushed his way through to Herzog, shook his hand, and, in full view of the other delegates, embraced him and said, "Fuck 'em." In November 1975, immediately after the General Assembly passed the resolution by a vote of 72 to 35 with 32 abstentions—a vote regarded by many as the institution's lowest moment—Moynihan took the podium and gave the speech of his life, defiantly announcing that the United States "does not acknowledge, it will not abide by, it will never acquiesce in this infamous act."

Moynihan's worst moment followed just a month later. In December 1975, Suharto's Indonesia invaded East Timor, then a Portuguese colony, slaughtering and starving some 200,000 people—almost a third of East Timor's population. The United States was Suharto's ally and his main supplier of arms; President Ford and Henry Kissinger paid a visit to Jakarta the day before the atrocities began, and, as shown by documents declassified in 2001, assured Suharto that the United States had no objection if he felt obliged to take "rapid or drastic action." Their policy was tacit approval of a massacre—and Moynihan, their man at the UN, saw it done. As he later wrote, "The United States wished things to turn out as they did, and worked to bring this about. The Department of State desired that the United Nations prove utterly ineffective in whatever measures it undertook. This task was given to me, and I carried it forward with no inconsiderable success."

The reader will notice that Moynihan's embrace of Herzog—which was genuinely moving and powerful, the exact right thing to do—was ultimately a symbolic gesture. By contrast, his suppression of any meaningful defense of the Timorese people was enormously consequential, and led, indirectly, to the death of countless innocents. Without exaggerating Moynihan's role—the policy was Kissinger's, and Moynihan subsequently had the decency to acknowledge its, and his, shamelessness—it seems fair to say that in the case of East Timor, he did exactly the *wrong* thing. And so went Moynihan's career in public service: remarkable and even inspired rhetorically, but frequently less impressive in deed. He was a thinker and a writer more than a doer; he and the Senate, where he represented New York from 1976 to 2000, were largely wasted on each other. A profile in the *New York Times Magazine* in 2000 ably summed him up by describing him as the Senate's "sole intellectual, its chief gadfly and its finest literary stylist," embodying a unique blend of "courage, egotism, insight and petulance."

Steven Weisman, a former reporter for the *Times*, had his work cut out for him as the editor of a new collection of Moynihan's letters. Moynihan's reputation as a philosopher-poet precedes him, and his correspondence and memoranda comprise

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the largest collection of personal papers housed in the Library of Congress. He was a prolific composer of letters, pamphlets, articles, and limericks; George Will wryly noted that Moynihan wrote or edited more books than some senators have read. Another challenge for Weisman lay in the participation of Moynihan's family in the project. The book was conceived by his daughter, who contributes a personal essay, and both she and Moynihan's widow are thanked extensively in the acknowledgments for their help. This may explain some of the book's lacunae: there is not a word on East Timor, nor on Moynihan's rough treatment of subordinates (he went through chiefs of staff like so many embroidered handkerchiefs from Harrods). An assembler of letters provides editorial comment through the selection of material rather than narrative text, and it is difficult to tell to what extent this collection is an independent study rather than a facsimile of the memoir that Moynihan never wrote. And unless a memoir is very poorly done—and Moynihan's certainly would not have been—its subject tends to come off quite well.

Moynihan is the subject of a biography published in 2000, Godfrey Hodgson's *The Gentleman From New York*, which is insightful and well written but about as tenaciously probing as its misty-eyed title suggests. (Hodgson and Moynihan were good friends.) The letters expand on many of Hodgson's themes: Moynihan's lifelong fascination with ethnicity; his tacking right during the 1970s and back to the left in the '80s and '90s; and throughout, the image of the lecturer-cum-statesman setting down his sherry to adjust his bow tie, exposing in the process elbows padded with leather and shirt cuffs pocked with holes. The book begins in 1951 in London, where Moynihan spent three years on a Fulbright scholarship and acquired his anglophilic tics. Subsequent letters follow him through local and state politics in New York; bit positions in the Kennedy and Johnson administrations; real proximity to power as an adviser to President Nixon and later his ambassador to India; street brawling at the UN; and finally—and somehow, least interestingly—the Senate. Whatever one's final verdict on the man, there is a lot of history at first hand in this volume.

Throughout every page of the letters but the last hundred or so, when grouchiness takes over, Moynihan is a delight to read. He was a gifted writer, funny, wry, quick with an allusion and good with a phrase, even as he stoked his own legend and trumpeted his prescience. (I lost count of the number of times he reminded someone that he predicted the collapse of the Soviet Union.) On the page if not in person, his cadences call to mind a Kingsley Amis or a Tory Christopher Hitchens armed with a doctorate, circa 1962. Here is Moynihan's counsel to President Johnson's aide Harry McPherson: "I very much fear that most of our cultural enterprises have their origin in the rather pathetic effort to prove to the Europeans that we have a soul. And a genteel, middle-class soul at that. Balls." Here he is on the splendor of the sculptures in the Ajanta Caves outside of Mumbai (keeping in mind that he consistently voted to support gay rights): "Nothing in Hellenism, too homosexual, nothing in Christianity, too repressed, nothing now, too confused, approaches this Buddhist statement of Woman." Perhaps the main lesson of this book is that we must all unstiffen our correspondence. Emulating Moynihan, I found myself drafting much jauntier business memoranda than usual over the past two months.

Moynihan's willingness to work for Nixon horrified his friends in Johnson's cabinet and struck many as an unforgivable heresy. Some of his flattering memoranda collected in the letters are altogether too gooey for comfort, and he never had much influence within the administration.

The letters provide extensive detail on the fallout over the "Moynihan Report," which was the most searing experience of his professional life. Entitled "The Negro Family," and prepared for Johnson in 1965, it identified the breakdown in the black family as the key cause of that group's urban poverty, perpetuating a vicious cycle of broken homes, unemployment, and welfare dependency. Moynihan sought to use the paradigm of the family to enlist conservative support for a bold plan of affirmative action, which would bring African Americans not just liberty, but equality. The report itself, however, was long on description and short on action steps, lending it the appearance of a pointed finger. Moynihan's analysis has since been largely vindicated and is echoed in such modern voices as Bill Cosby, the sociologist William Julius Wilson, and President Obama. Writing this year, historian James Patterson in the excellent book *Freedom Is Not Enough* observes that "Moynihan was preaching an aggressively liberal message. He did not blame blacks living in ghettos for having fallen into the depths: the source of their troubles was 'three centuries of sometimes unimaginable mistreatment.'" Patterson concludes that "[i]f a black person had produced such a report, it might well have received ... a respectful hearing among people who yearned to fight against racism and poverty in the cities." But the report's publication happened to coincide with the Watts riots, and contained too many provocative phrases, such as "tangle of pathology."

Moynihan was branded a racist by black militants and their white fellow travelers. The letters contain countless

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hurt, angry, and defeated entries stemming from the controversy. Here is one from 1966: "I think it fair to say that I took my lumps with as much dignity as one can muster whilst being anathemized by the likes of C. Sumner Stone and Stokely Carmichael ... President [Johnson] was badly let down by the white liberal community which panicked at the thought that it might have to pursue for a moment a line of thought unpopular with the Negro militants." He never felt the same way about the left again—nor it about him—and became one of the first neoconservatives. He contributed a strong collection of essays to *Commentary* and to Irving Kristol's *Public Interest*, culminating in "The United States in Opposition," in 1975, which blamed Third World countries for blaming their problems on the West. Moynihan argued that "[i]t is past time we ceased to apologize for an imperfect democracy. Find its equal. It is time we grew out of our initial—not a little condescending—supersensitivity about the feelings of new nations." Insightful and powerfully argued as the essay was, Moynihan did not consider that siding with brutal dictators like Suharto over little colonies like East Timor might influence the developing world's perception of America.

Bobbing in and out of academia, he campaigned for Hubert Humphrey in 1968 but hedged his bets by offering polite and unsolicited advice to Richard Nixon. He was brought on board as a domestic policy adviser and served as the in-house Democrat—a party affiliation he fiercely clung to throughout his career. Moynihan's willingness to work for Nixon horrified his friends in Johnson's cabinet and struck many as an unforgivable heresy. Some of his flattering memoranda collected in the letters are altogether too gooey for comfort, and he never had much influence within the administration. But even more of his memos during these years feature blunt advice from the left that read like the words of a man with nothing to lose. "I doubt anybody around here quite understands how menacing the administration has seemed to students and faculties alike," he wrote Nixon in 1970, after Nixon responded without sympathy to the Kent State shootings. Escalating the Vietnam War—a war Moynihan vocally opposed—into Cambodia would cause the administration to "lose the respect of our allies, and our self-respect," and Vice President Agnew's pit bull tactics "[make] you look duplicitous" as "[y]ou take the high road and your aides take the low road." The administration was wasting its time and credibility with "vulgar partisanship" and "hysterical demagoguery." The Nixon memos are the most fascinating documents in this collection, and serve as a reminder that even though he worked for Republican administrations, Moynihan never crossed over fully.

John Chafee (R-RI) once joked that if you wrote to Moynihan about a passport, you'd get a history of the passport office, while if you wrote to an ordinary politician, you'd get a passport.

His politics did not change under Reagan, but he did use the president's extreme positions to reestablish his bona fides as a Democrat. Breaking with the neoconservatives as they switched parties, he opposed the president's budget cuts and covert military operations, earning high ratings from liberal vote counters. But as the '80s gave way to the '90s, Moynihan could not bear to cede power to those smug ex-hippies Bill and Hillary. He seemed to think they were just the types who had called him a bigot in the 1960s. His positions on health care and welfare reform during the Clinton administration remain baffling. One might hope that the letters would reveal a better reason for throwing a stick in the wheel of health care—he appeared on *Meet the Press* and proclaimed, astonishingly, that there was no health care crisis in America—than vanity and petty grudges. But the letters enhance what was already known: a Clinton aide slighted Moynihan anonymously in *Time*; Clinton's and Moynihan's staffs distrusted each other; Moynihan's expertise was not enlisted early on; welfare should have come first. The administration's plan and tactics were hardly perfect, but then again, someone gets to set the agenda, and it might as well be the new president of the United States. Moynihan could have signed up and helped out, rather than waiting in silent anger for the pupil to visit during office hours. On welfare, Moynihan's subject of great expertise, he was right to bemoan the Republicans' drastic cuts, but was also uniquely positioned to broker a better deal. Instead he crossed his arms and played the popinjay, predicting the sinking of the ship when he might yet have grabbed an oar and started rowing.

Moynihan had few major legislative accomplishments other than interstate transportation reform in 1991, and the revitalization of Pennsylvania Avenue in Washington and Penn Station in New York. He belonged in the world of ideas more than anyplace else. Even though we need such people in government, it can be a frustrating arrangement. John Chafee once joked that if you wrote to Moynihan about a passport, you'd get a history of the passport office, while if you wrote to an ordinary politician, you'd get a passport. But Moynihan did write a smashing newsletter to his constituents that was candid, digressive, learned, and no doubt underappreciated. His letters reveal him most relaxed in his study, a one-room schoolhouse on his farm in upstate New York, where he clicked away at his typewriter. It would be a serious mistake to say that he should have stayed there, but it is nevertheless where he was at his best. WM

Michael O'Donnell is a writer living in Chicago and a regular contributor to the *Washington Monthly*.

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